

# Fixed Income Investor Presentation

March 2016

## Sumitomo Mitsui Financial Group, Inc.

Unless otherwise indicated, 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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# Agenda

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## Overview

- SMFG / SMBC overview
- Financial results of FY3/2015 and 3Q, FY3/2016
- SMFG's consolidated balance sheet and loan balance
- Sources of profitability

## Financial soundness

- Asset quality
- Reduction of strategic shareholdings
- Capital

## Business strategy

- International business
  - Overseas loans
  - Foreign currency funding
  - Becoming Asia-centric
- Wholesale business
- Retail business

# SMFG / SMBC overview\*1

## SMFG consolidated

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

<b>Market capitalization</b> (TSE:8316 NYSE:SMFG)	JPY 5.1 tn / USD 45.4 bn (As of Mar. 11, 2016)
<b>Total assets</b>	JPY 187 tn / USD 1,555 bn
<b>Total capital ratio</b> (Basel III transitional basis)	17.51%
<b>CET1 ratio</b> (Basel III fully-loaded basis)	12.2%
<b>NPL ratio</b>	1.13%
<b>Loan-to-deposit ratio</b>	63.5%

(As of Dec. 31, 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 (As of Sep. 30, 2015)
<b>NPL ratio</b>	0.77% (As of Dec. 31, 2015)
<b>Ratings (Moody's / S&amp;P)*3</b>	A1 / A

## Profitability

		<b>FY3/15</b>	<b>3Q, FY3/16</b>
<b>SMFG</b> Consolidated	<b>Consolidated gross profit</b>	JPY 2,980 bn USD 24.8 bn	JPY 2,219 bn USD 18.4 bn
	<b>Ordinary profit</b>	JPY 1,321 bn USD 11.0 bn	JPY 900 bn USD 7.5 bn
	<b>Profit attributable to owners of parent</b>	JPY 754 bn USD 6.3 bn	JPY 626 bn USD 5.2 bn
<b>SMBC</b> Non-consolidated	<b>Gross banking profit</b>	JPY 1,634 bn USD 13.6 bn	JPY 1,151 bn USD 9.5 bn
	<b>Banking profit*4</b>	JPY 843 bn USD 7.0 bn	JPY 549 bn USD 4.6 bn
	<b>Net income</b>	JPY 643 bn USD 5.4 bn	JPY 459 bn USD 3.8 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
- 71** overseas franchises\*5

(As of Sep. 30, 2015)

\*1 Exchange rate for as of Mar. 31, 2015 is USD 1.00 = JPY 120.15, Sep. 30, 2015 is USD 1.00 = JPY 119.92, Dec. 31, 2015 is USD 1.00 = JPY 120.53 and Mar. 11, 2016 is USD 1.00 = JPY 113.30

\*2 Excludes negotiable certificates of deposits \*3 SMBC's long-term senior unsecured bond ratings as of Mar. 11, 2016

\*4 Before provision for general reserve for possible loan losses \*5 SMBC's overseas offices, offices of overseas subsidiary banks, and other subsidiaries and affiliates

# Financial results of FY3/2015 and 3Q, FY3/2016

## Income statement

		(JPY bn)	FY3/2014	FY3/2015	YOY change	3Q, FY3/2016	YOY change
SMFG consolidated	Consolidated gross profit		2,898.2	2,980.4	+82.2	2,218.6	(11.7)
	General and administrative expenses		(1,569.9)	(1,659.3)	(89.4)	(1,285.7)	(60.9)
	Equity in gains (losses) of affiliates		10.2	(10.6)	(20.8)	(44.8)	(45.0)
	Consolidated net business profit		1,338.5	1,310.5	(28.1)	888.2	(117.7)
	Total credit cost		49.1	(7.8)	(56.9)	(45.6)	(91.9)
	Ordinary profit		1,432.3	1,321.2	(111.2)	900.2	(206.7)
	Profit attributable to owners of parent		835.4	753.6	(81.7)	626.2	(56.0)
	Variance with SMBC non-consolidated		230.1	110.6	(119.4)	167.4	+15.5
SMBC non-consolidated	Gross banking profit		1,558.1	1,634.3	+76.1	1,150.9	(79.8)
	Expenses*1		(745.7)	(791.2)	(45.5)	(601.7)	(12.9)
	Banking profit*2		812.4	843.1	+30.6	549.2	(92.7)
	Total credit cost		123.9	80.1	(43.8)	33.2	(68.7)
	Gains (losses) on stocks		106.4	52.6	(53.8)	10.9	(48.8)
	Other non-recurring gains (losses)		(90.3)	(19.8)	+70.4	(29.2)	+6.7
	Ordinary profit		952.5	956.0	+3.5	564.1	(203.5)
	Net income		605.3	643.0	+37.7	458.8	(71.6)

## Contribution of subsidiaries to SMFG's net income

(JPY bn)	3Q, FY3/2016	YOY change
SMBC Consumer Finance	43	+1
SMBC Nikko Securities	36	(9)
Sumitomo Mitsui Finance and Leasing	22	(1)
Cedyna	22	(1)
Sumitomo Mitsui Card	14	+1
SMBC Friend Securities	3	(3)

\*1 Excludes non-recurring losses

\*2 Before provisions for general reserve for possible loan losses

# ■ SMFG's consolidated balance sheet and loan balance

## Balance sheet (as of Dec. 31, 2015)

### Total assets : JPY 187.5 tn

Cash and due from banks  
**JPY 39.7 tn**

Loans  
**JPY 76.0 tn**

Securities  
**JPY 27.0 tn**

JGB  
**JPY 12.6 tn**

Other assets  
**JPY 44.8 tn**

Deposits,  
negotiable  
certificates  
of deposits (NCD)  
**JPY 119.6 tn**

Other liabilities  
**JPY 56.9 tn**

Total net assets  
**JPY 11.0 tn**

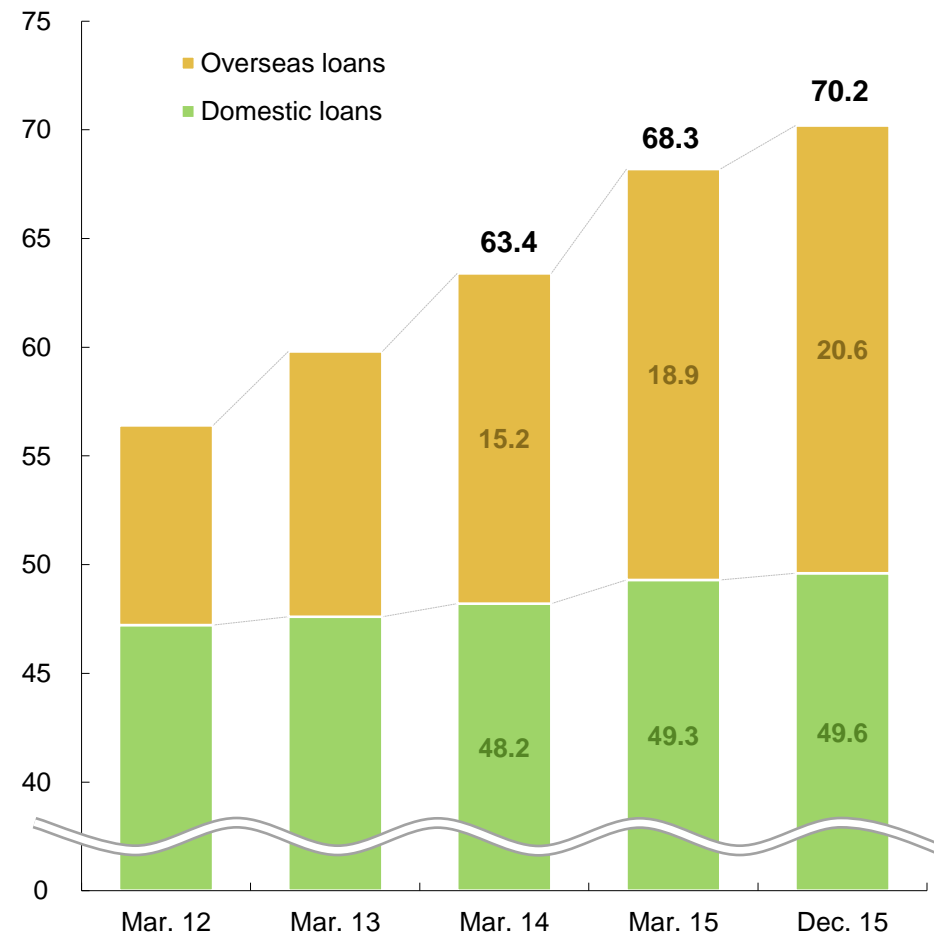
Total stockholders' equity  
**JPY 7.4 tn**

Loan to deposit ratio	63.5%
Risk-weighted assets	JPY 68.1 tn
ROE (Denominator: Total stockholders' equity)	11.5%

## Loan balance

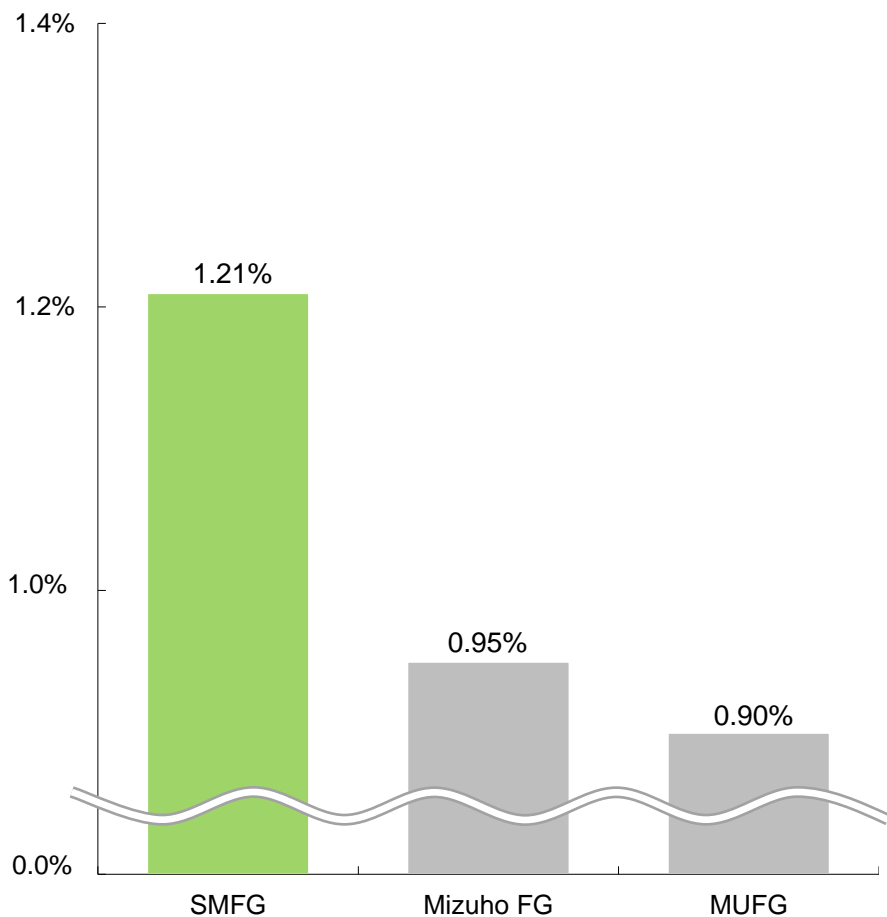
(JPY tn)

(SMBC non-consolidated)

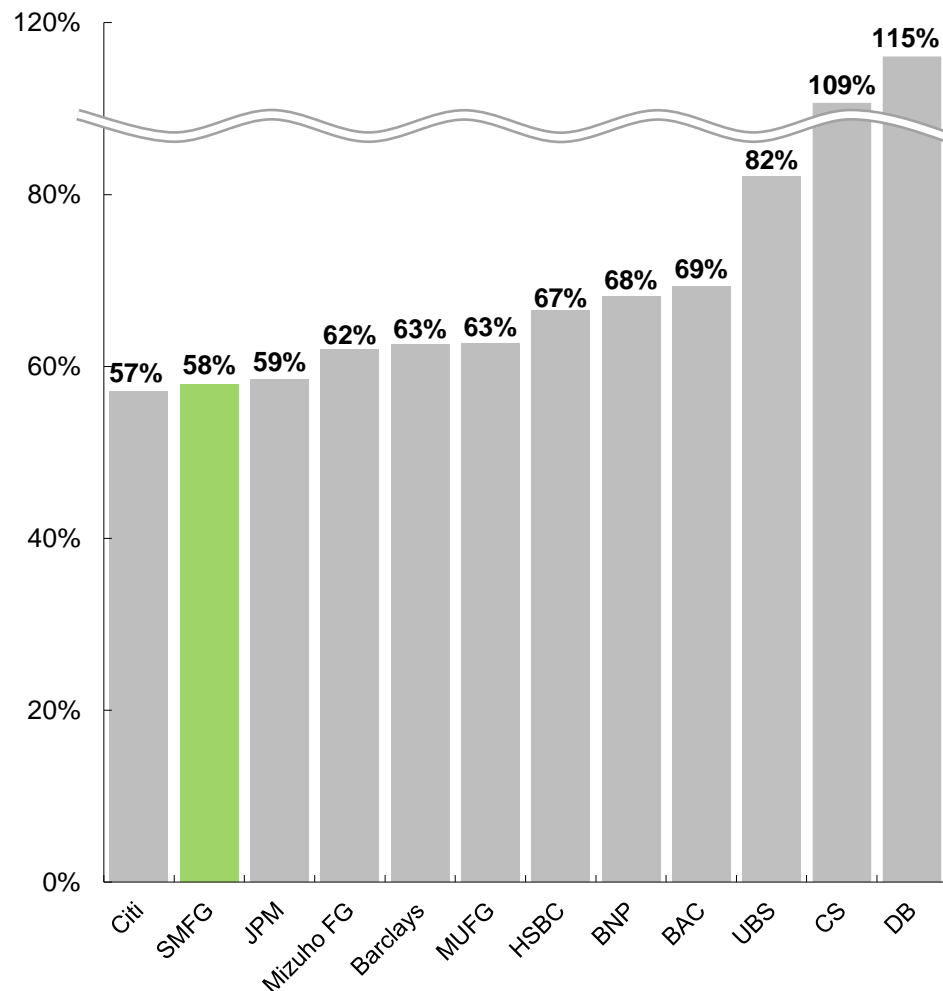


# Sources of profitability

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



Overhead ratio\*<sup>2</sup>



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

# ■ Agenda

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## Financial soundness

- Asset quality
- Reduction of strategic shareholdings
- Capital

## Business strategy

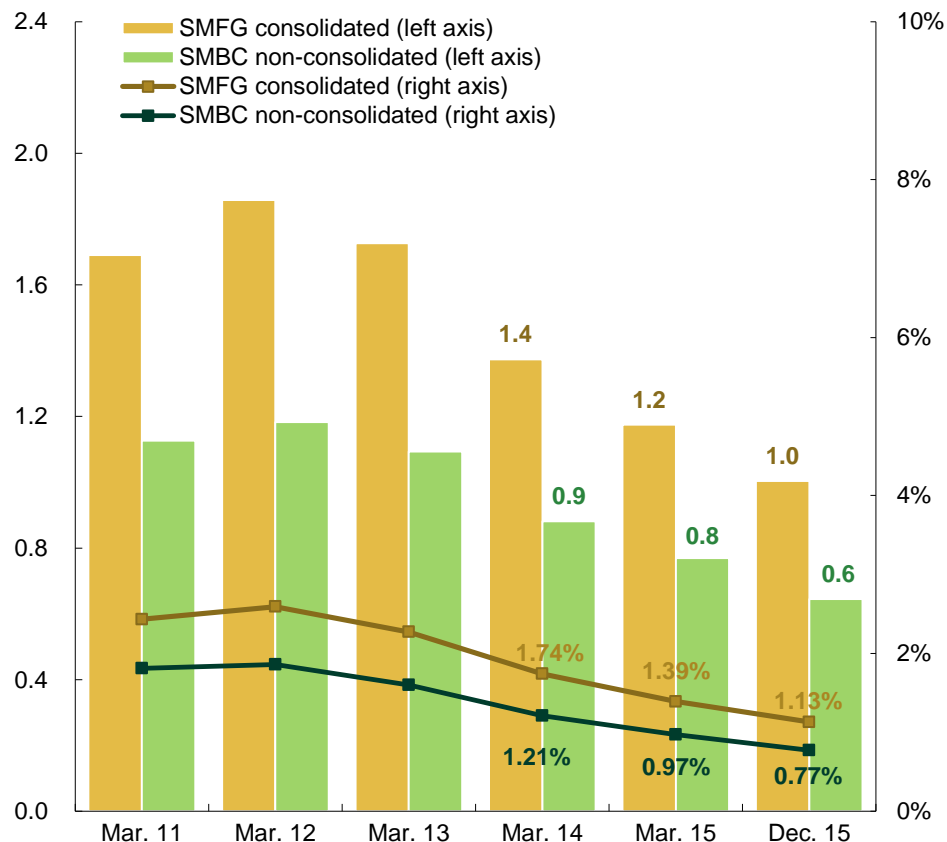
- International business
  - Overseas loans
  - Foreign currency funding
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# Asset quality – solid loan portfolio

## NPLs and NPL ratio\*1

(JPY tn)

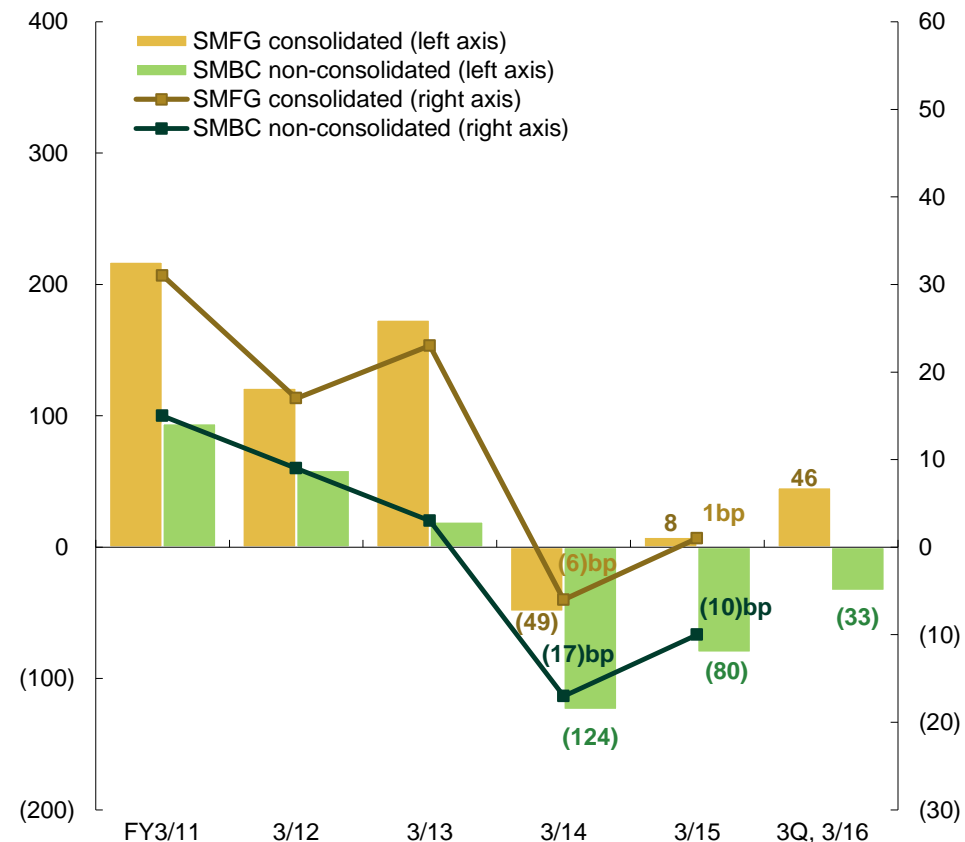


Coverage ratio*3	SMFG consolidated	83.74%	83.14%
	SMBC non-consolidated	88.54%	87.67%

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

(JPY bn)

(bp)

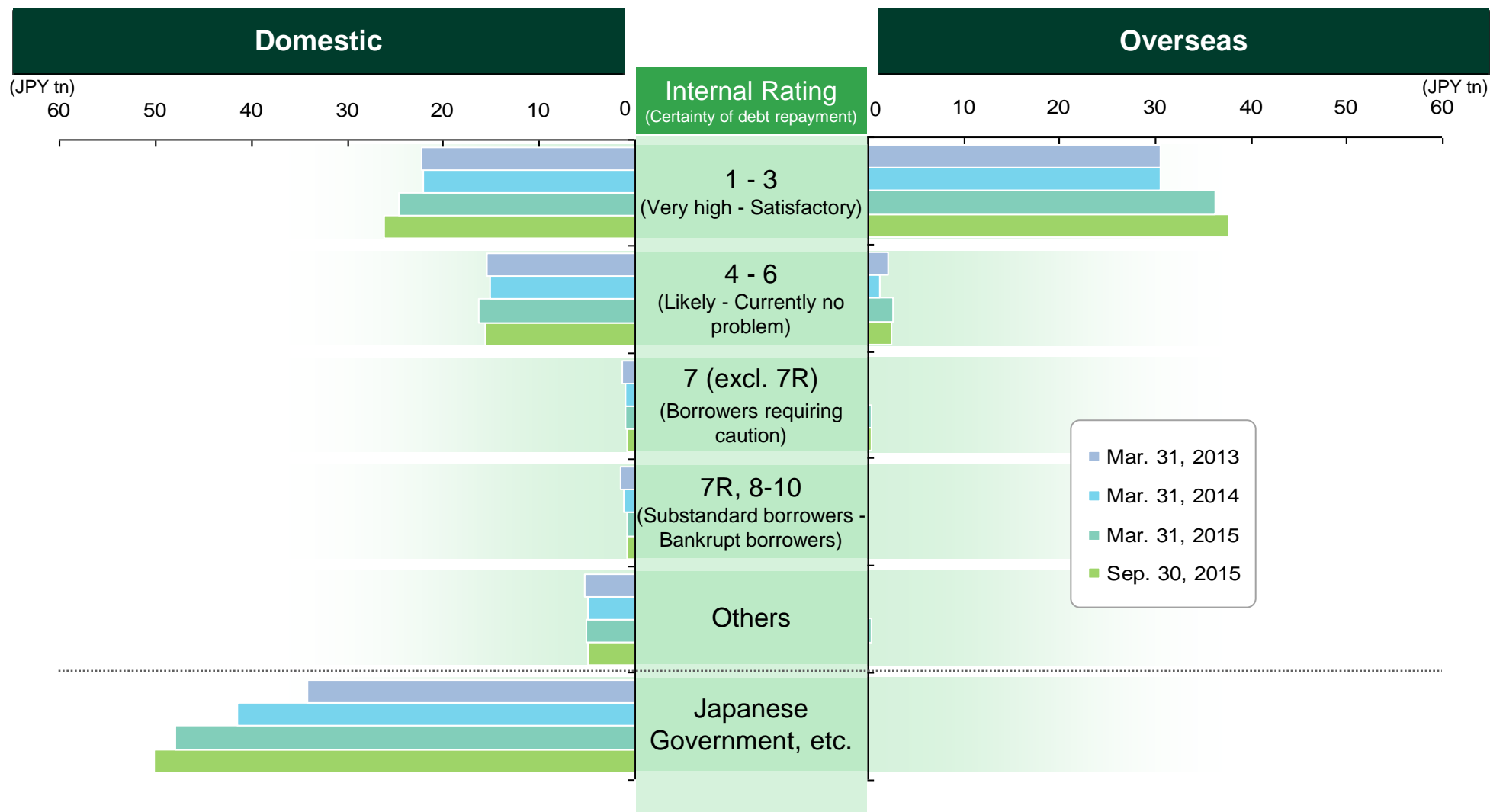


\*1 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

\*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\*



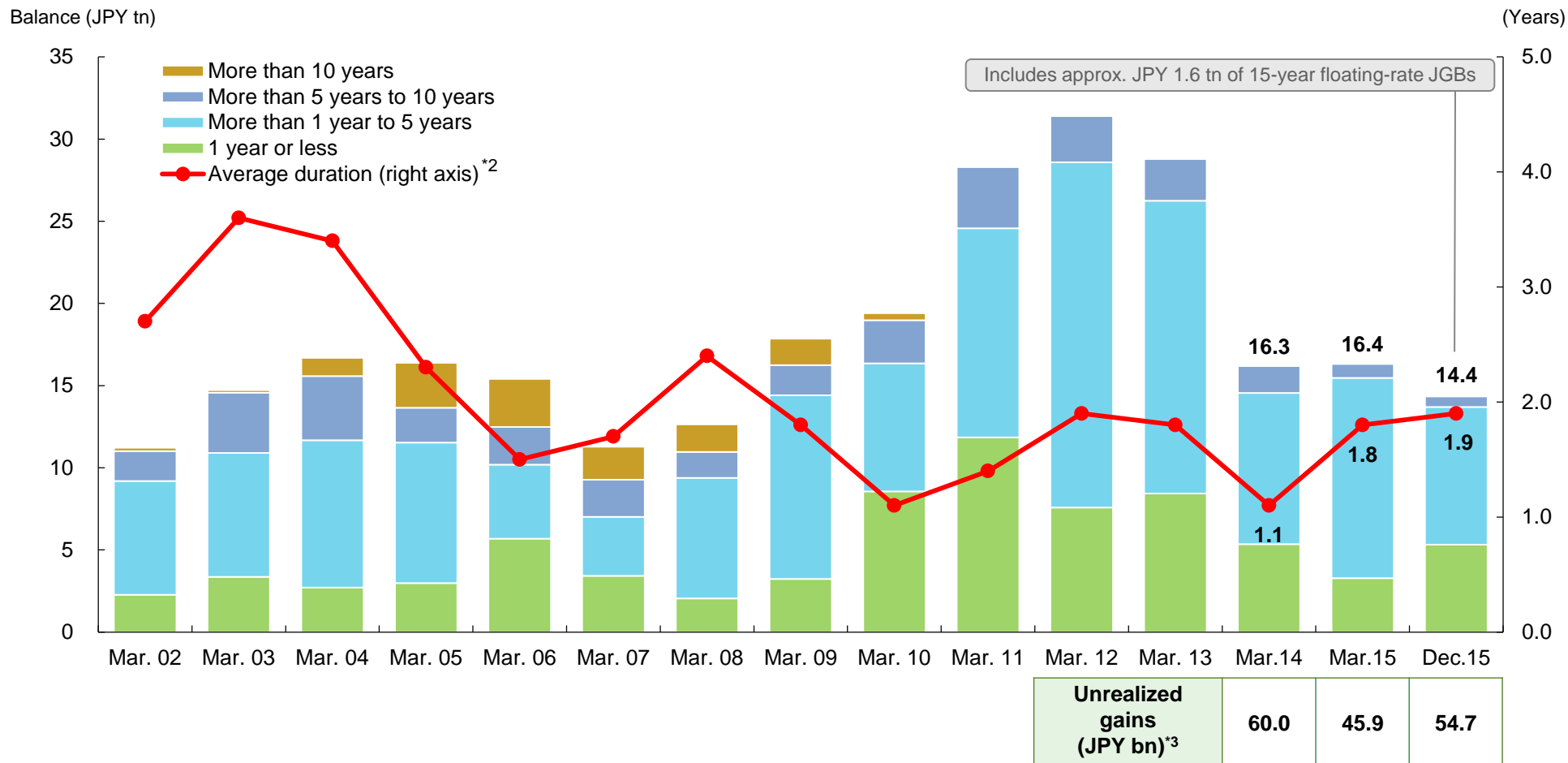
(SMFG consolidated)

\* 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

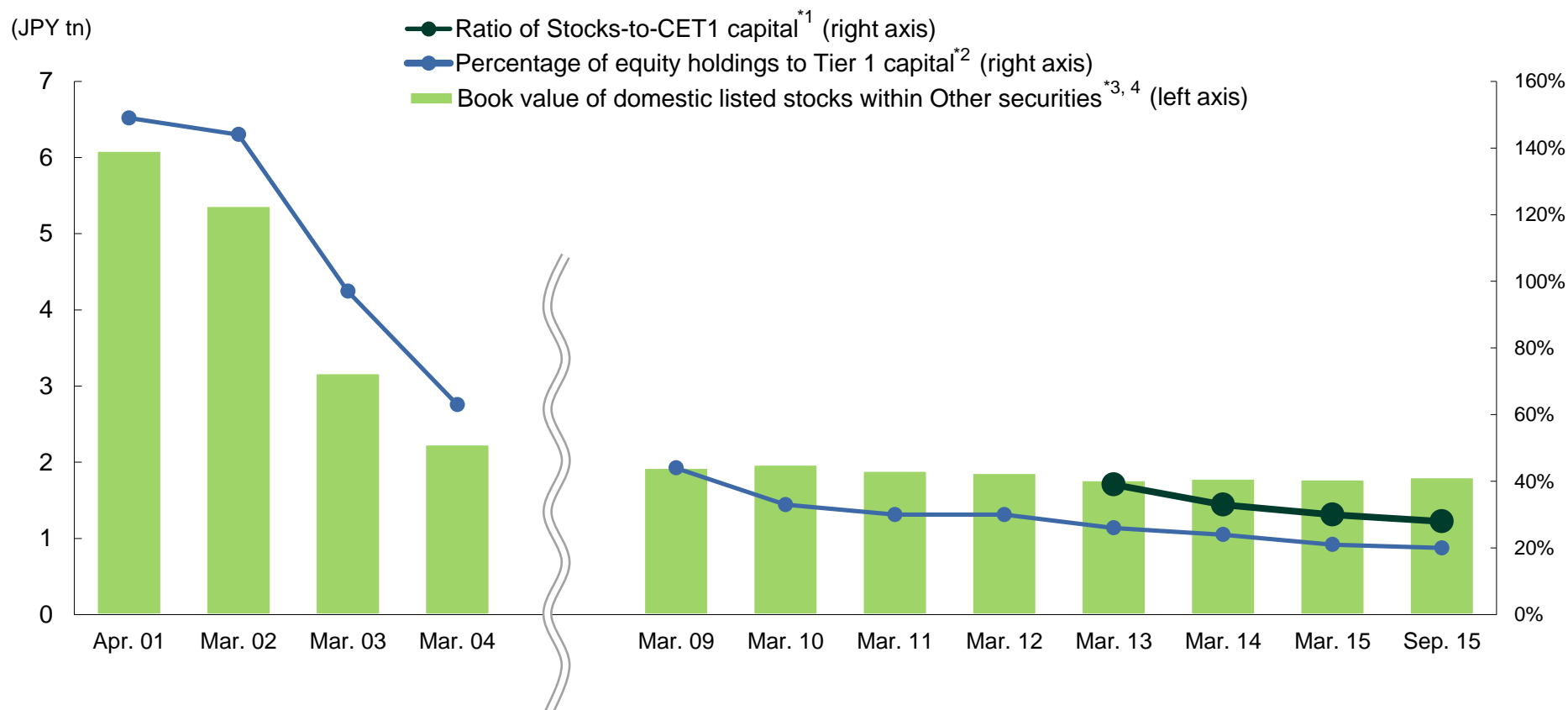
\*2 Excludes bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero.  
Duration at Mar. 2002 is for JGB portfolio only

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

# Reduction of strategic shareholdings

- SMFG aims 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 Book value of domestic listed stocks / CET1 (Basel III fully-loaded basis, excluding net unrealized gains on Other securities)

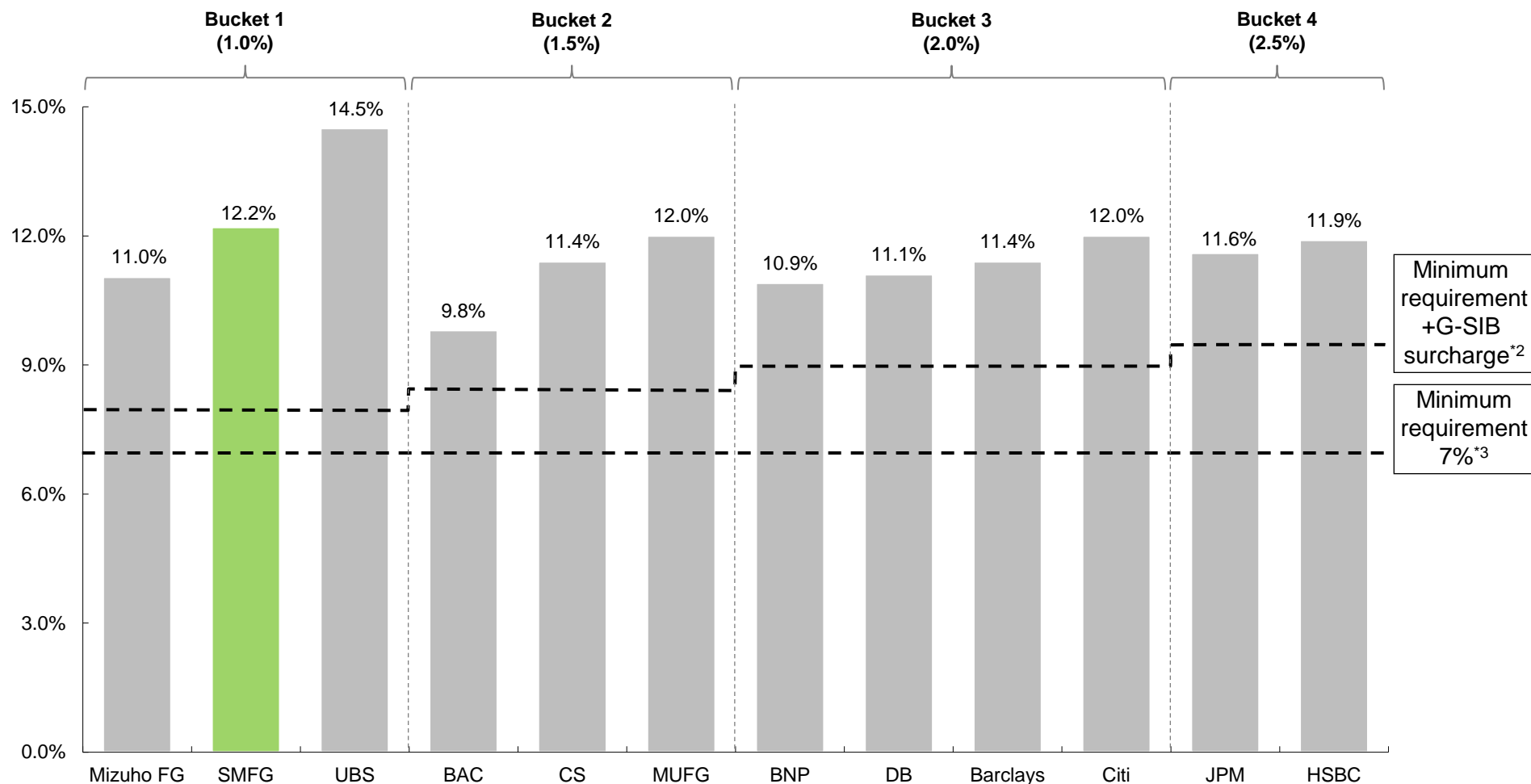
\*2 Ratio against SMFG consolidated Tier 1 Capital  
(Ratio against SMBC consolidated Tier 1 Capital until end of Mar. 2002. Ratio against Basel III fully-loaded SMFG consolidated Tier 1 capital from end of Mar. 2013)

\*3 SMBC consolidated basis until Mar. 2002

\*4 Same meaning as acquisition cost

# Resilient capital base

## CET1 ratio - Basel III fully-loaded basis (pro forma)\*1



\*1 Based on each company's disclosure. As of Dec. 31, 2015. The ratio for Mizuho FG includes Eleventh Series Class XI Preferred Stock of JPY 142.2 bn

\*2 The list published by the Financial Stability Board in Nov. 2015

\*3 Minimum requirement = Minimum CET1 Requirements (4.5%) + Capital conservation buffer (2.5%)

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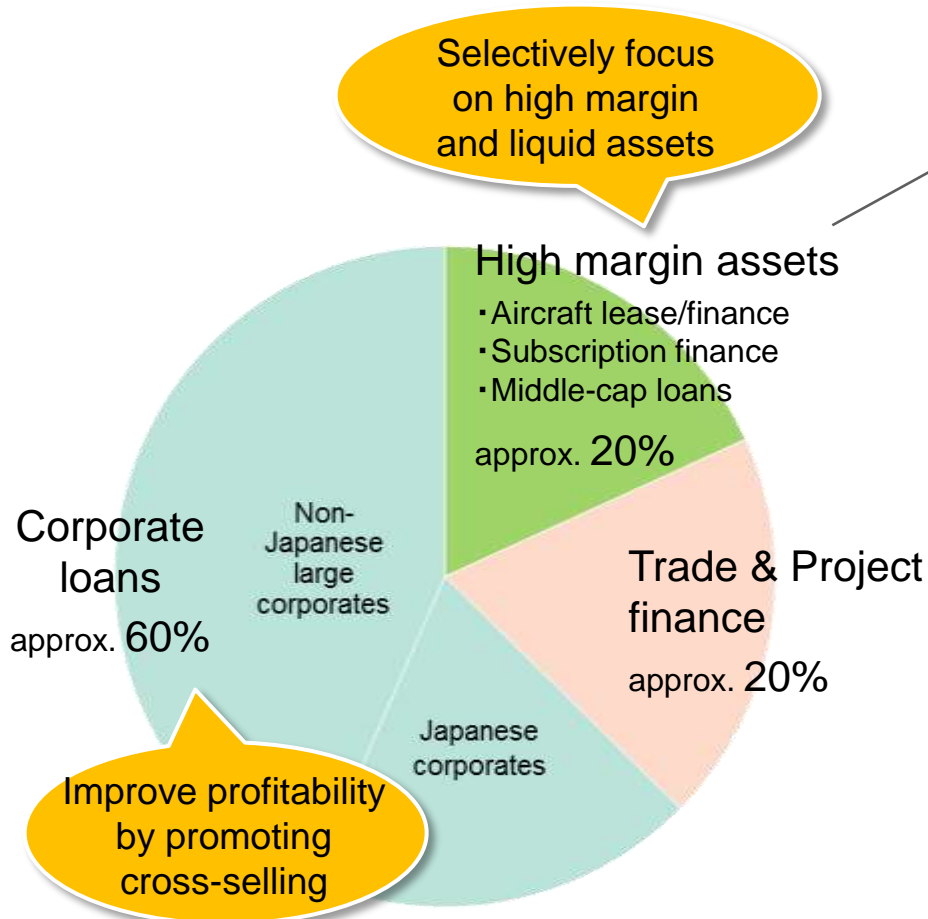
- Asset quality
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## **Business strategy**

- International business
  - Overseas loans
  - Foreign currency funding
  - Becoming Asia-centric
- Wholesale business
- Retail business

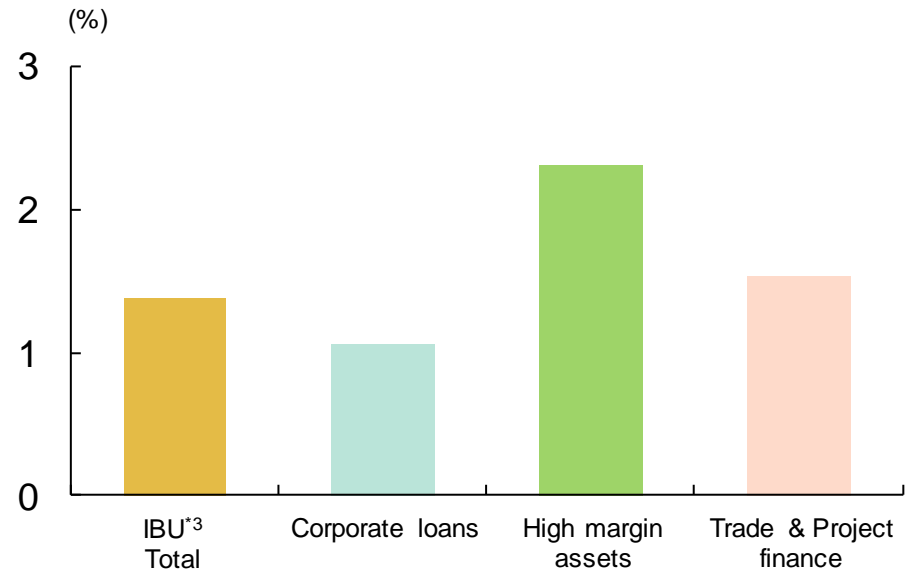
# International business – evolving business model\*1

## Overseas loan portfolio



- Acquired European loan portfolio from GE of USD 2.2 bn (Sep. 2015)
- Origination & Distribution

## Average overseas loan spreads\*2



- Strengthen Nikko's overseas capability
- Support M&A financing

\*1 As of Sep. 30, 2015

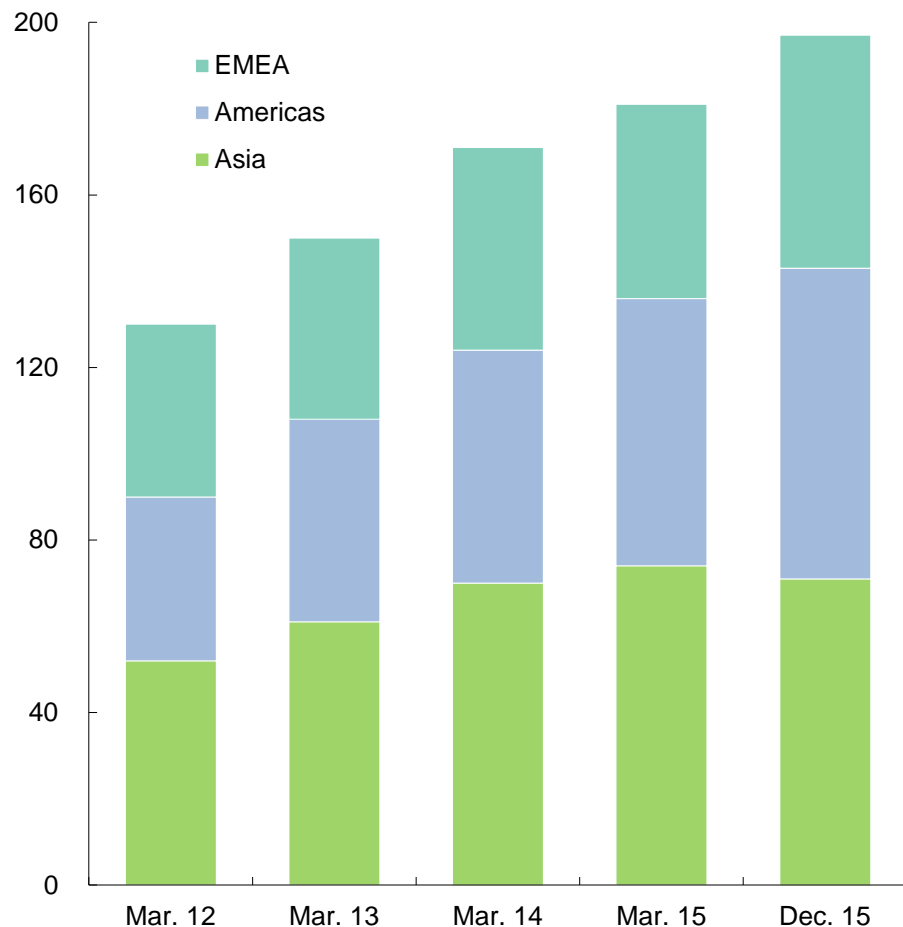
\*2 Excludes up-front fees

\*3 IBU: International Banking Unit

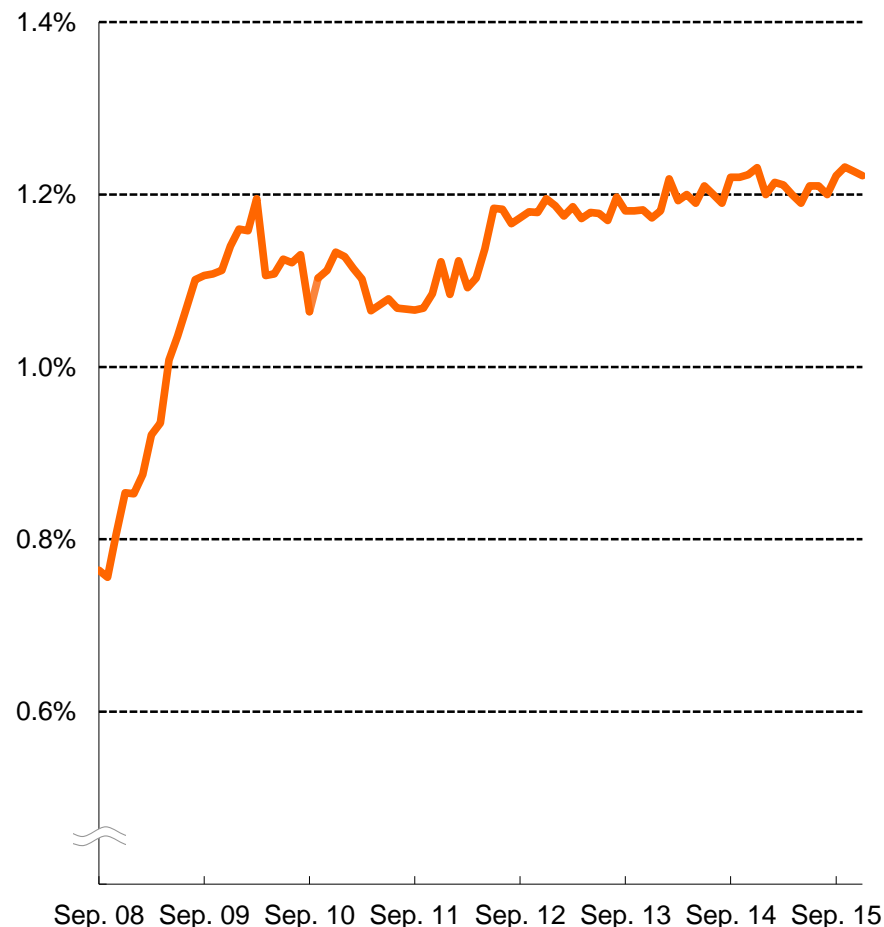
# International business – overseas loans

Balance<sup>\*1, \*2</sup>

(USD bn)



Spread<sup>\*3, \*4</sup>



\*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)

\*3 Managerial accounting basis. Average loan spread of existing loans on a monthly basis

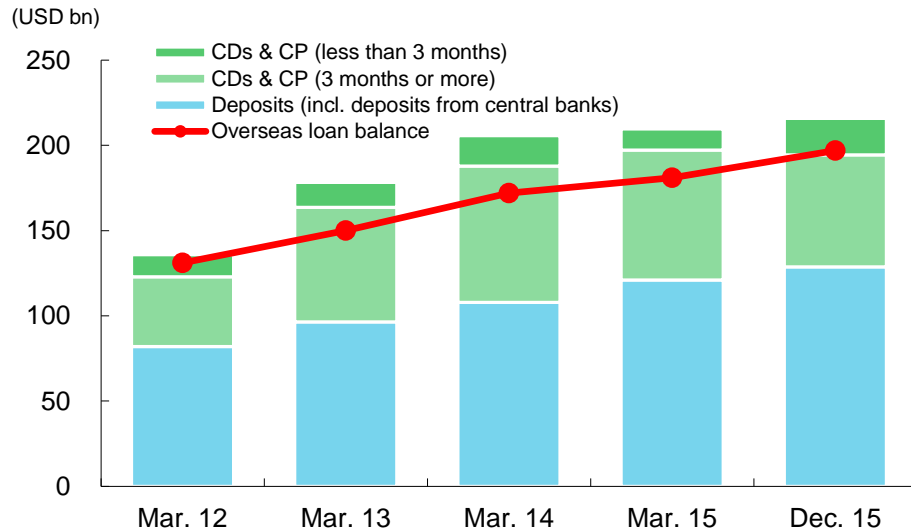
\*4 Sum of SMBC, SMBC Europe and SMBC (China)



# International business –

## SMBC / SMFG foreign currency funding

### SMBC overseas deposit & loan balance\*1

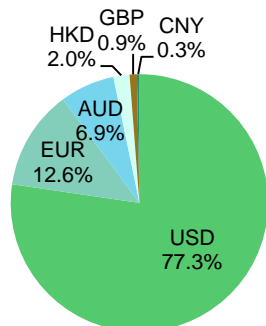


### Foreign currency funding by region

Region (Main currency)	Major capital markets funding tool
Japan: SMFG (USD)	SEC Registered
Japan: SMBC	Global MTN Programme (USD 50 bn) 3(a)(2)
(USD/EUR/GBP/AUD/HKD)	Euro MTN Programme (JPY1,500 bn equivalent) RegS
Europe (USD/EUR/GBP)	Euro CP Programme (EUR10 bn) Euro CD
US (USD)	US Domestic CP Programme (USD15 bn) US Domestic CD
Australia (USD/AUD)	Debt Issuance Programme (USD8 bn) Australian Domestic CD
Hong Kong (HKD)	CD Programme (HKD15 bn)
Singapore (SGD)	CD Programme (SGD5 bn)

### SMBC / SMFG long-term capital markets funding\*2

(Outstanding amount)  
Total: USD 39.4bn



Outstanding amount		
USD	30.5 bn	--
EUR	4.4 bn	= USD 4.9 bn
AUD	3.6 bn	= USD 2.7 bn
HKD	6.2 bn	= USD 0.8 bn
GBP	0.3 bn	= USD 0.4 bn
CNY	0.8 bn	= USD 0.1 bn

### Recent deals (Senior unsecured)

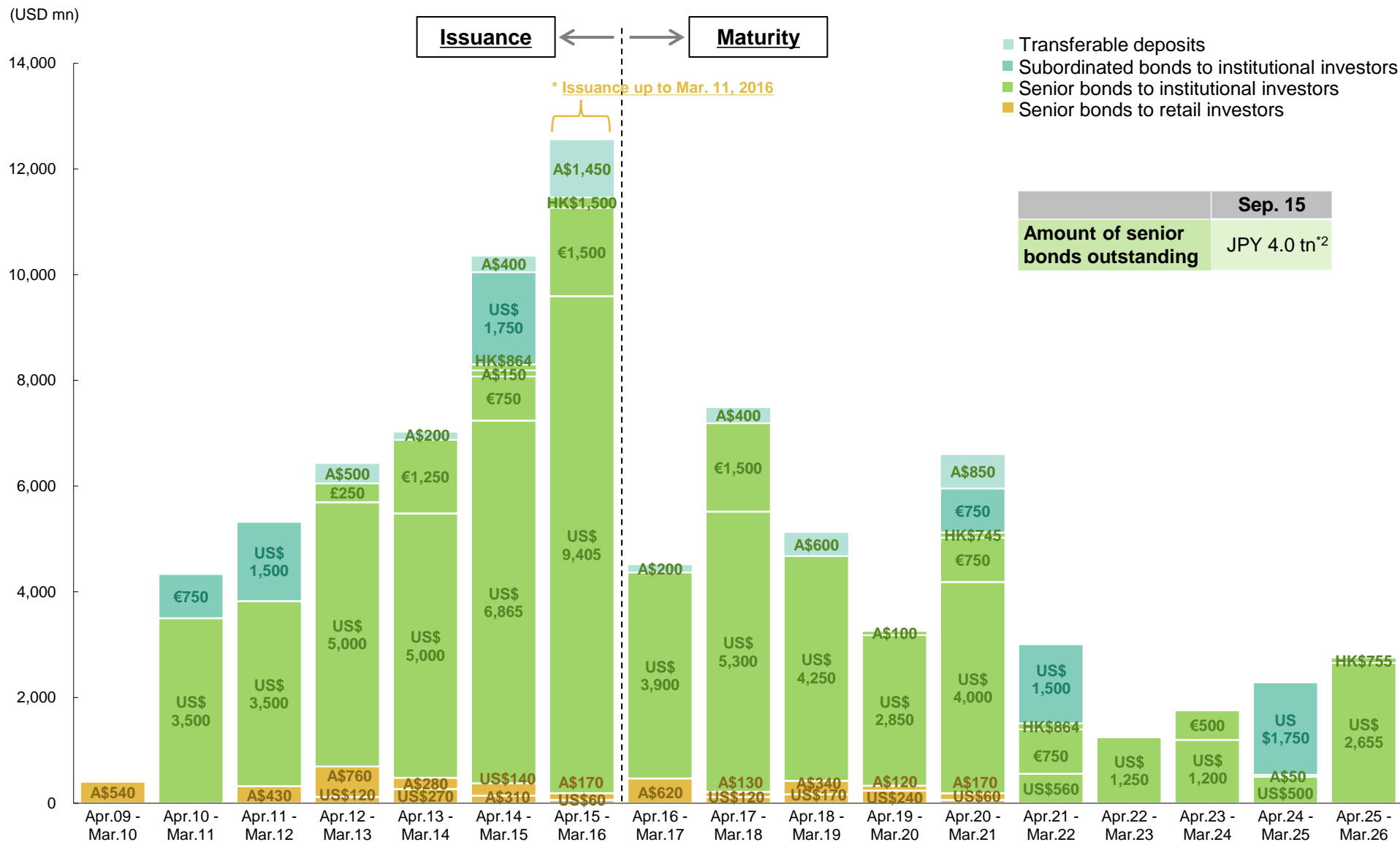
- Mar. 9, 2016 / SMFG / USD / 4.0bn / 5y FIX at 2.934%, 5y FRN at 3ML+168bp, 10y FIX at 3.784%
- Jan. 19, 2016 / SMBC / USD / 1.25bn / 3y FIX at 2.05%, 3y FRN at 3ML+94bp
- Oct. 20, 2015 / SMBC / USD / 500mn / 5y FIX at 2.45% / Green Bonds
- Sep. 8, 2015 / SMBC / EUR / 1.5bn (includes re-opening 500mn on Nov.12) / 2y FRN at Euribor+30bp / Private Placement
- Jul. 23, 2015 / SMBC / 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 / SMBC / USD / 655mn / 30NC10 FIX at 4.30% / Formosa

\*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 Issuance with original maturity of two years or more as of Mar. 11, 2016, issue date basis. Translated into USD at the exchange rates as of Mar. 11, 2016

# International business –

## ■ SMBC / SMFG 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 Mar. 11, 2016, issue date basis.  
Translated into USD at the exchange rate as of Mar. 11, 2016

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

# ■ International business – becoming Asia-centric

- Implement strategies toward realizing SMFG's vision for the next decade and become a truly Asia-centric institution

## “Gateway to Asia”

- ✓ Support Japanese companies expand their business in Asia
- ✓ Establish a strong business with local Asian companies
- ✓ Become a gateway for US/European companies into Asia

Asia: 74 offices (as of Sep. 2015)

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

Established **Gateway to Japan Desk** (Feb. 2015)

Received approval to open **Dalian Br.** (Jul. 2015)

**The Bank of East Asia** (Hong Kong) becomes an equity-method affiliate of SMBC (Mar. 2015) (17.4% shares)

Opened **Manila Br.** (Sep. 2015)

Opened **Yangon Br.** (Apr. 2015)

**ACLEDA Bank** (Cambodia) becomes an equity-method affiliate of SMBC (Sep. 2015) (18.25% shares)

Agreed to acquire shares of **OTO/SOF\*** (Indonesian automotive finance companies) (Oct. 2015) (35.1% shares)

## Multi Franchise Strategy

- ✓ Full Bank
  - ✓ Localization
  - ✓ Commitment
- Establish the second & third SMBC in Asia

\* Subject to regulatory approval

# Wholesale business

## Business for large corporations

Large corporate clients

Offer higher quality solutions

Bank-securities  
collaboration

Seamless operation  
of domestic /  
overseas offices

Extensive  
knowledge of  
industries



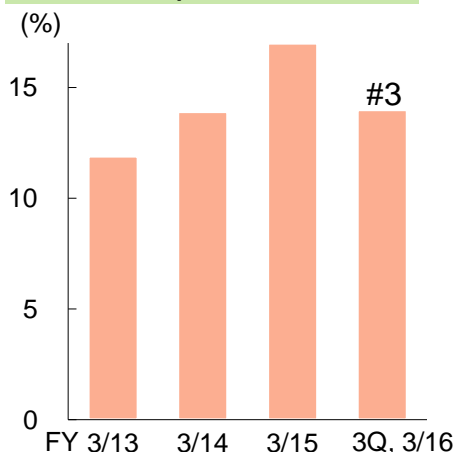
SMBC NIKKO



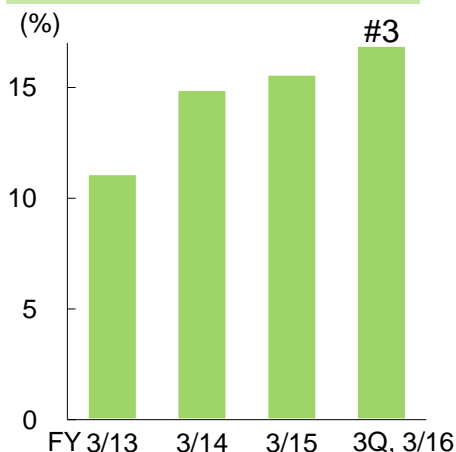
SMBC SUMITOMO MITSUBISHI  
BANKING CORPORATION

## SMBC Nikko's market share for underwriting

### Equities\*1

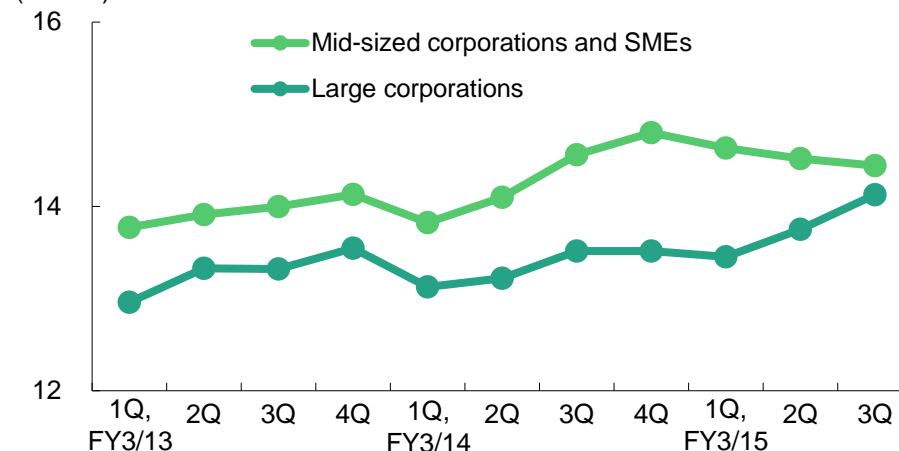


### Bonds\*2

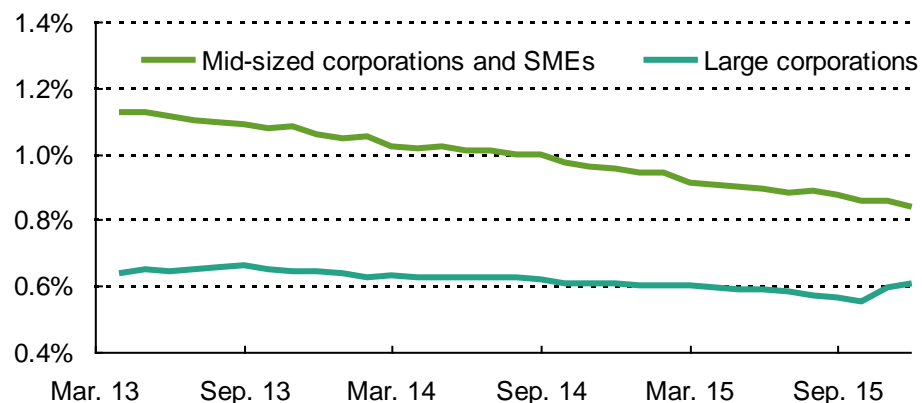


## Loan balance of Wholesale Banking Unit\*3

(JPY tn)



## Domestic corporate loan spread\*4, 5



\*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

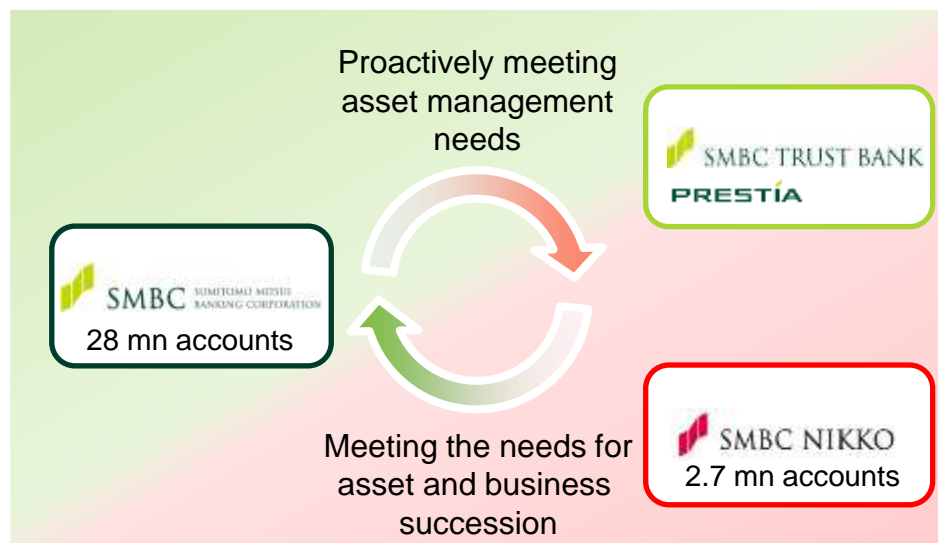
\*3 Managerial accounting basis. Average loan balance on a quarterly basis. SMBC non-consolidated

\*4 Managerial accounting basis. We revised managerial accounting rules in Apr. 2014, following revision of domestic business structure. Figures for FY3/14 were recalculated based on the new rules

\*5 Monthly average loan spread of existing loans

# Retail business

## Developing bank-securities retail integration



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

\*1 As of end of Mar. 31, 2015

\*2 As of Nov. 1, 2015

\*3 Asakusa Branch, Ginza Branch, and Roppongi Branch

## Acquisition of Citibank Japan's retail banking business

- SMBC Trust Bank acquired the retail banking business of Citibank Japan on Nov. 1, 2015
- It began the operation of a new brand called "PRESTIA"
  - Total deposits: JPY 2,430 bn (of which foreign currency deposits: approx. JPY 1 tn)\*1
  - Number of branches: 34\*2
  - Number of customers: approx. 720,000\*1

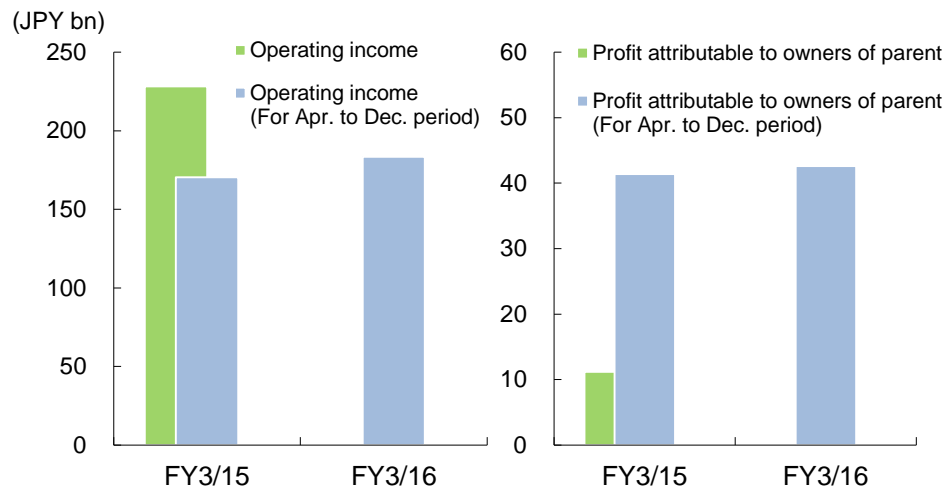


## Group Collaboration

- Began referral of financial instruments intermediary services between SMBC Trust Bank and SMBC Nikko Securities (Jul. 2015)
- Set-up PRESTIA's ATM at SMBC branch offices\*3 (Nov. 2015)
  - Currently capable of paying in Yen with a card issued overseas

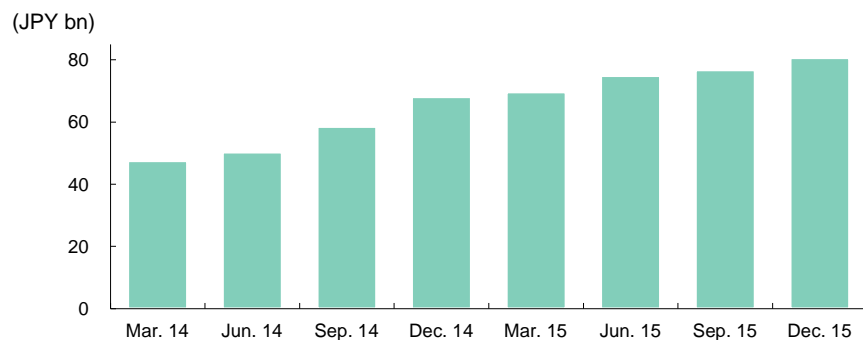
# Retail business – SMBC Consumer Finance

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



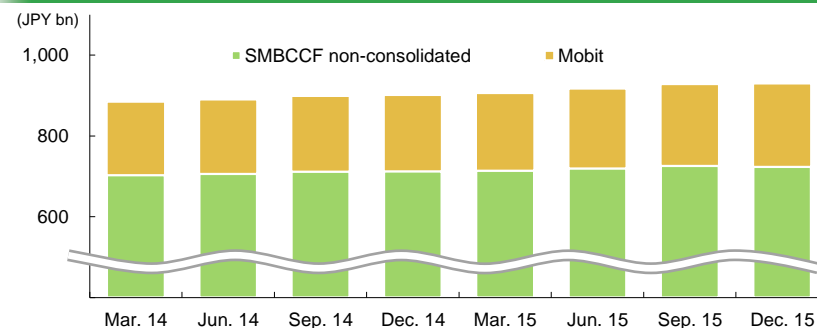
## Overseas business

### Consumer loans outstanding (overseas)\*

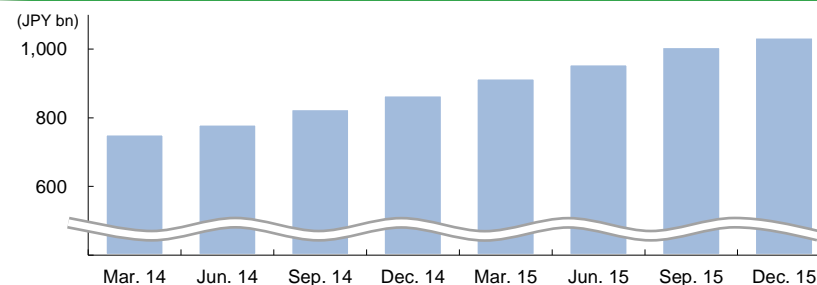


## Financing / loan guarantee business

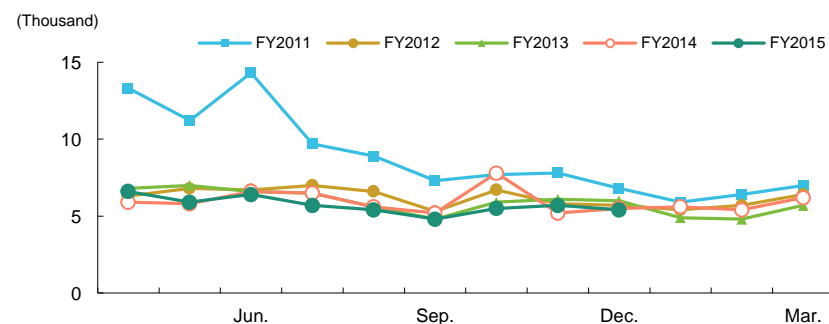
### Consumer loans outstanding (domestic)



### Loan guarantee amount



### No. of interest refund claims

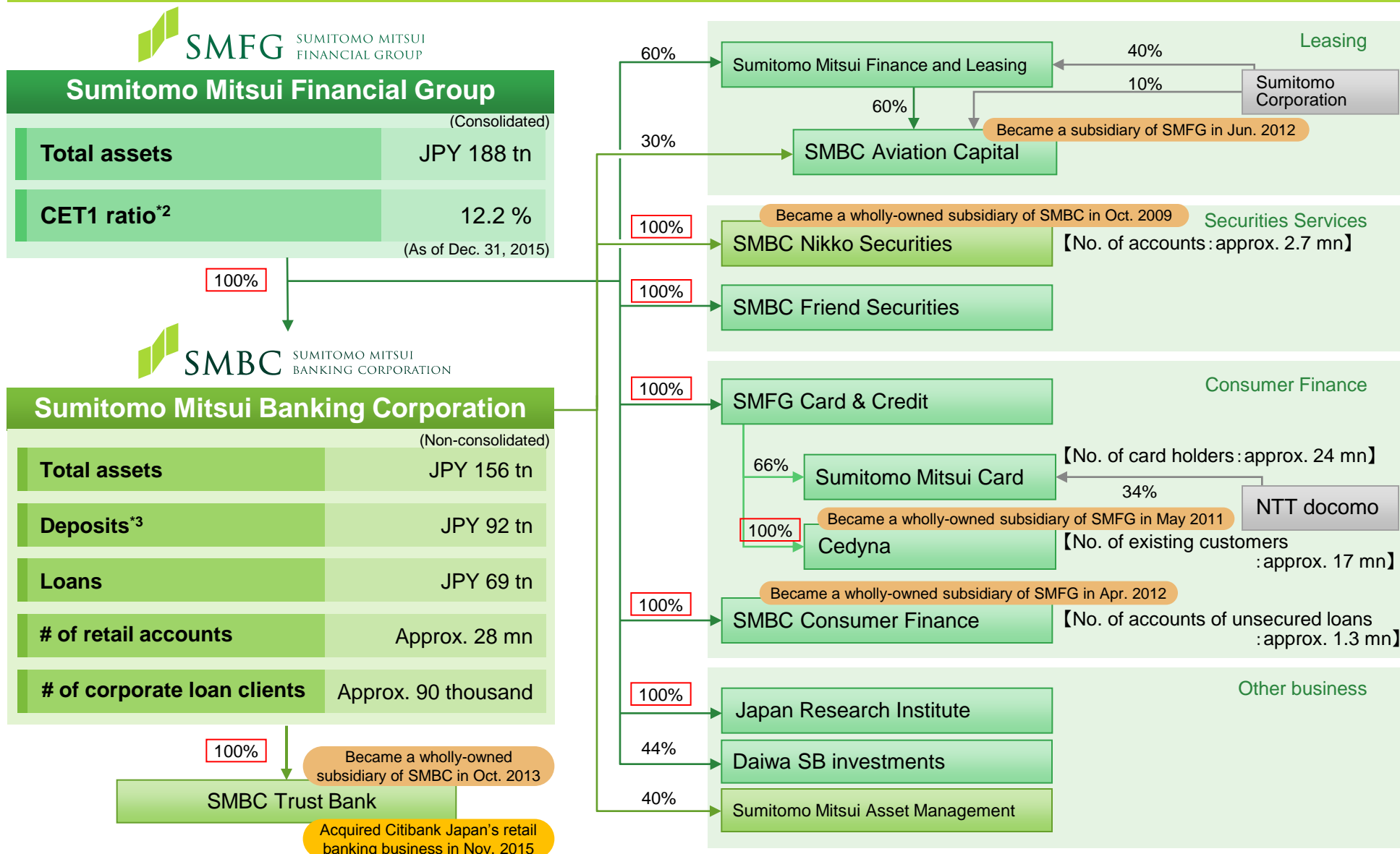


\* Aggregate of overseas subsidiaries. Translated into JPY at respective period-end exchange rates

# Appendix

The background of the page features an abstract geometric pattern. It consists of various gray and white squares and rectangles of different sizes, some of which are outlined in white. These shapes are scattered across the page, with a higher concentration in the top right and bottom right corners, creating a modern, minimalist aesthetic.

# Group structure\*1



\*1 As of Sep. 30, 2015, except the amount of total assets and CET1 ratio of SMFG

\*2 Basel III fully-loaded basis

\*3 Excludes negotiable certificates of deposits



# ■ Capital and risk-weighted assets, SMFG consolidated

## Capital ratio (transitional basis)

		(JPY bn)	Mar. 31, 2015	Dec. 31, 2015
	<b>CET1</b>		<b>7,476.5</b>	<b>7,972.8</b>
	of which:	Total stockholders' equity related to common stock	6,909.0	7,433.9
		Accumulated other comprehensive income <sup>*1</sup>	801.5	742.9
		Regulatory adjustments related to CET1 <sup>*1</sup>	(460.4)	(441.0)
Tier 1 capital			8,528.6	9,322.2
of which:	AT1 capital instruments		-	300.0
	Eligible Tier 1 capital instruments (grandfathered) <sup>*3</sup>		1,124.3	1,125.2
	Regulatory adjustments <sup>*1, *2</sup>		(348.2)	(330.0)
Tier 2 capital			2,437.3	2,614.9
of which:	Tier 2 capital instruments		375.0	658.5
	Eligible Tier 2 capital instruments (grandfathered) <sup>*3</sup>		1,424.0	1,316.8
	Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount <sup>*2</sup>		699.4	646.5
	Regulatory adjustments <sup>*1, *2</sup>		(165.2)	(127.1)
Total capital			10,965.9	11,937.0
Risk-weighted assets			66,136.8	68,144.7
<b>CET1 ratio</b>			<b>11.30%</b>	<b>11.69%</b>
Tier 1 ratio			12.89%	13.67%
Total capital ratio			16.58%	17.51%

\*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 / Dec. 31, 2015

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

# Financial highlights – IFRS\*

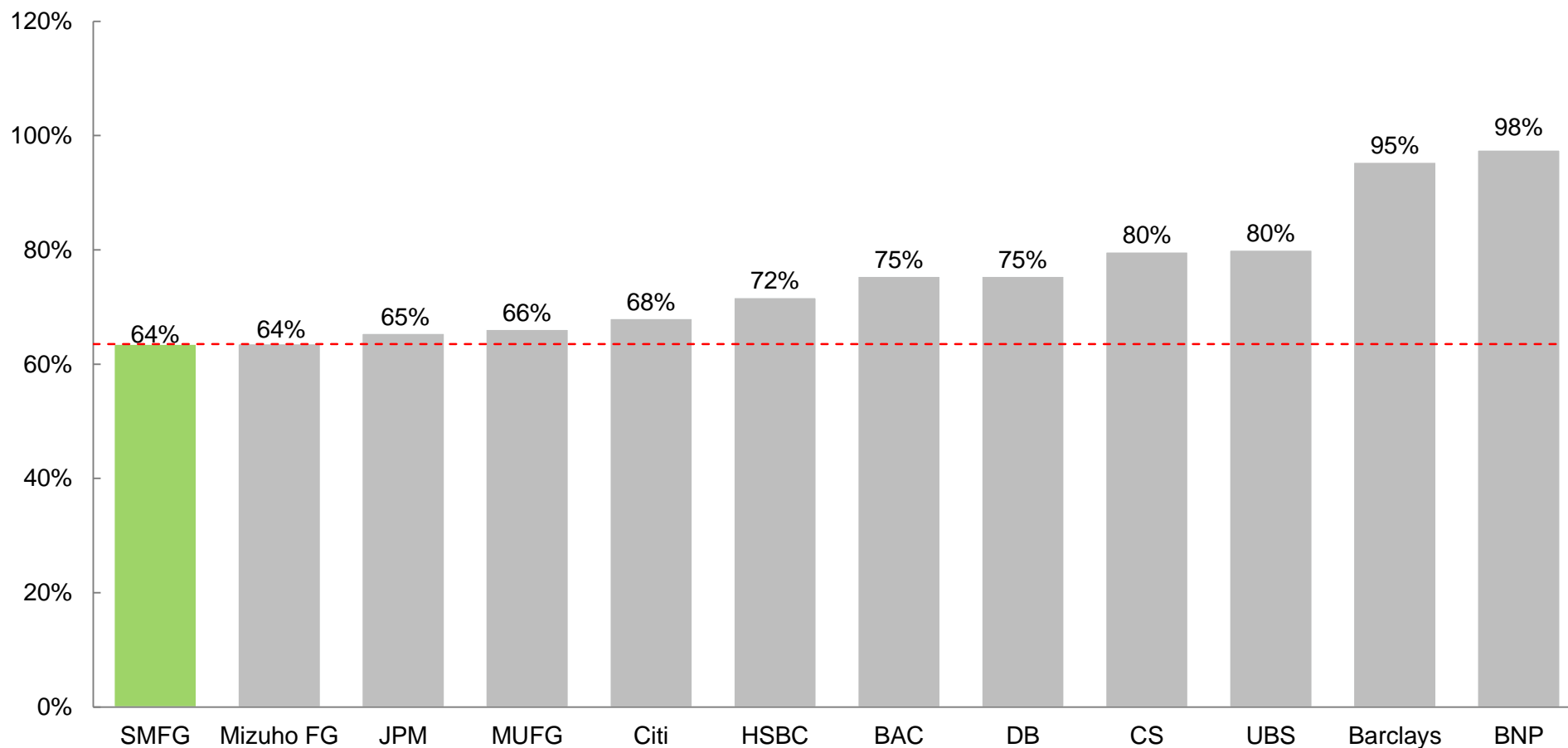
Income statement data			
(JPY bn)		FY3/2015	1H, FY3/2016
	Net interest income	1,411.5	711.0
	Net Fee and commission income	873.5	437.9
	Net Trading income	127.8	163.0
	Other operating income	919.6	427.3
Total operating income		3,332.4	1,739.1
Net operating income		3,242.3	1,671.8
Profit before tax		1,132.9	685.9
Net profit		723.0	496.4

Statement of financial position data		
(JPY bn)		1H, FY3/2016
Total assets		182,305.4
Loans		88,406.9
Deposits		118,320.1
Total equity		11,174.0

Reconciliation with Japanese GAAP *			
(At and for FY3/2015, JPY bn)		Total equity	Net profit
IFRS		11,020.9	723.0
Differences arising from different accounting for:	Scope of consolidation	111.6	3.9
	Derivative financial instruments	103.6	84.5
	Investment securities	(296.0)	(10.2)
	Loans and advances	(0.7)	116.3
	Investments in associates and joint ventures	(33.1)	(23.6)
	Property, plant and equipment	(8.0)	1.0
	Lease accounting	(2.0)	2.0
	Defined benefit plans	(4.8)	(3.1)
	Deferred tax assets	(64.5)	13.1
	Foreign currency translation	-	23.1
	Others	(133.2)	(17.4)
	Tax effect of the above	2.7	(44.5)
Japanese GAAP		10,696.3	868.0

## Liquidity – supported by a sticky domestic deposit base

Loan-to-deposit ratio\*



\* Based on each company's disclosure. SMFG, MUFG and Mizuho FG are on a non-consolidated basis as of Dec. 31, 2015. The others are on a consolidated basis as of Dec. 31, 2015

# 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

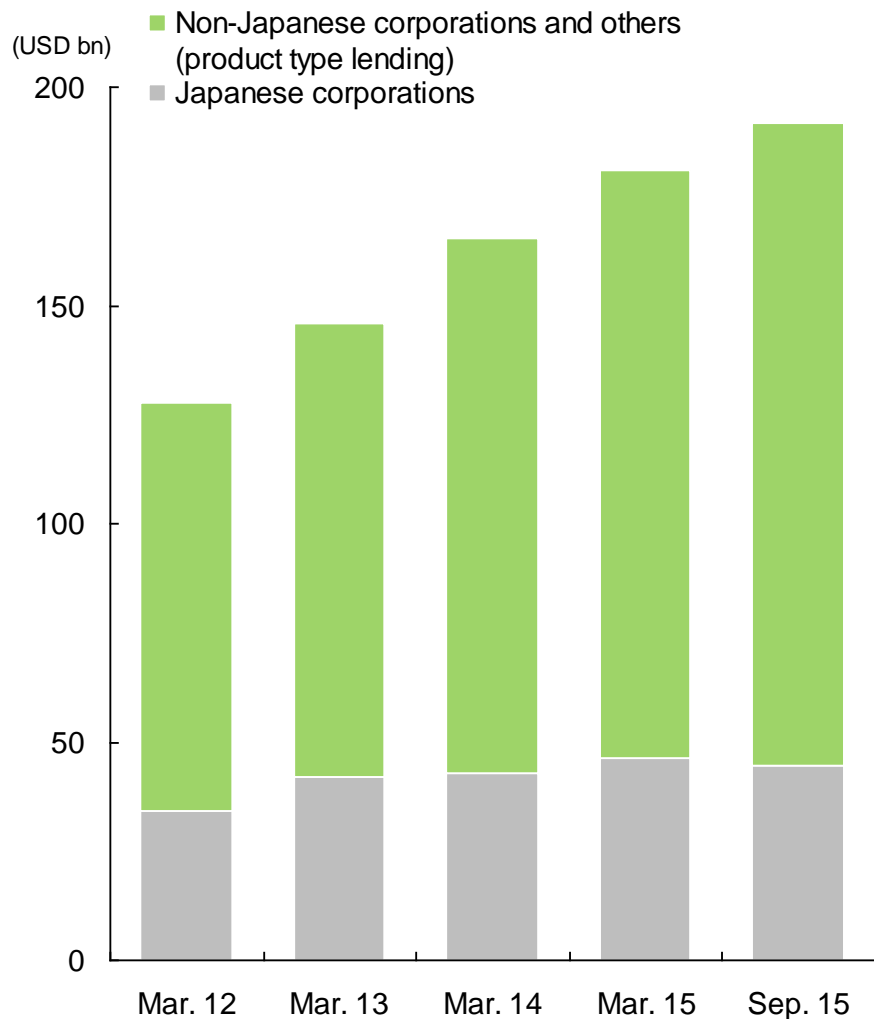
## Three-year management goals

- 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

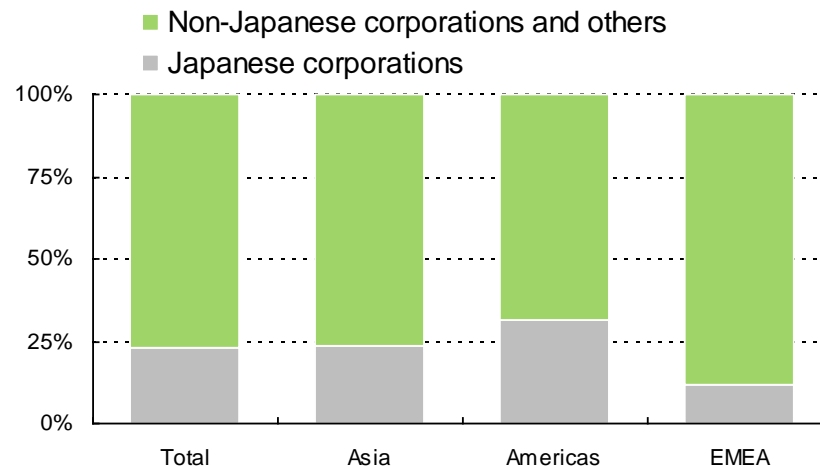
# Overseas loan balance classified by borrower type

(Geographic classification based on booking office)

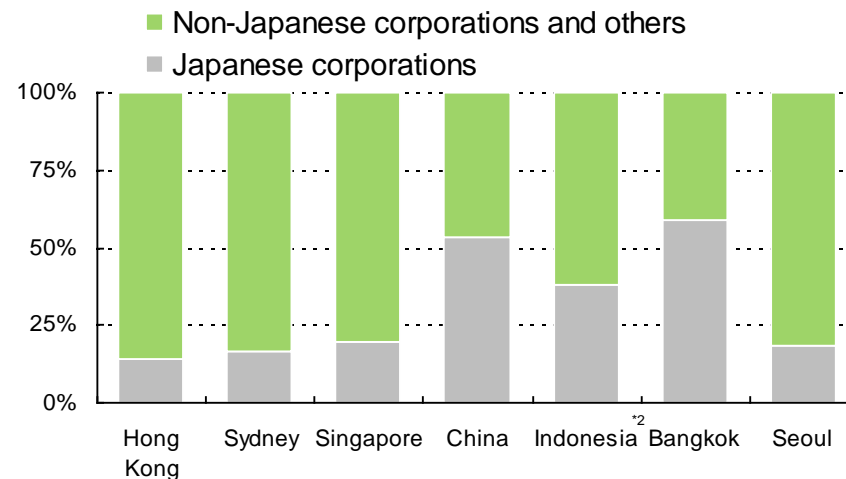
## Total\*1



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



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



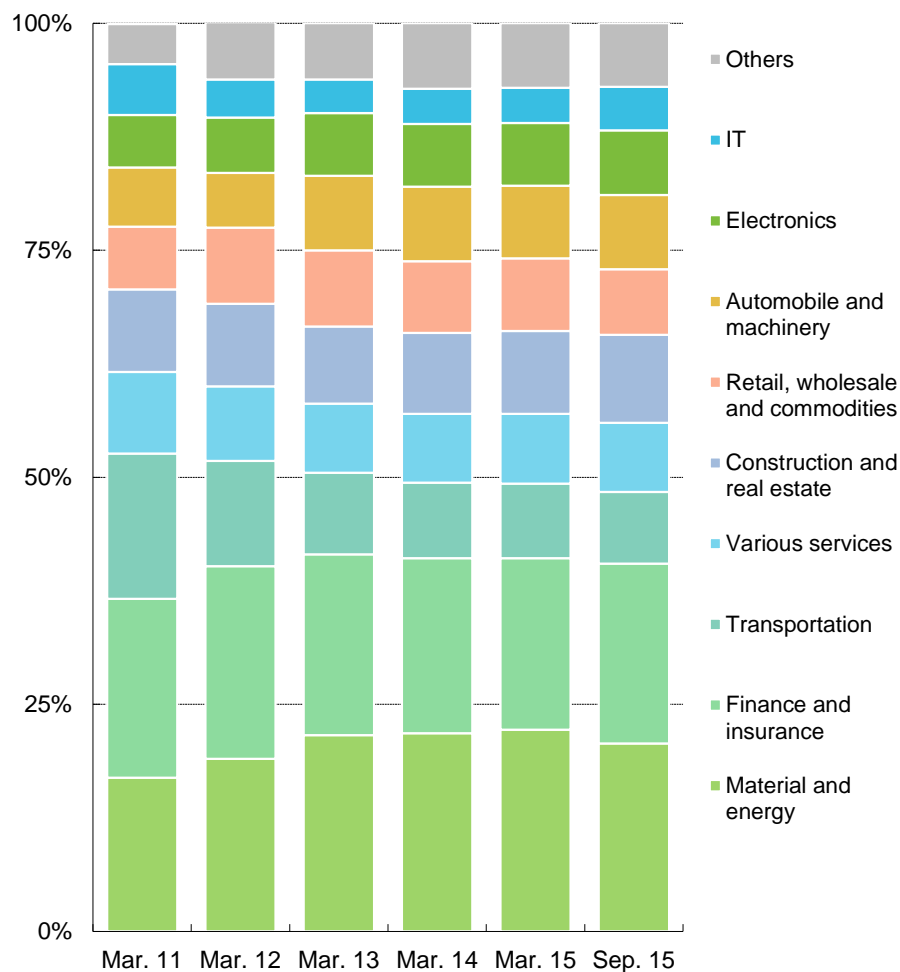
\*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China). Includes trade bills after Mar. 2015

\*2 Sum of SMBC and SMBC Indonesia

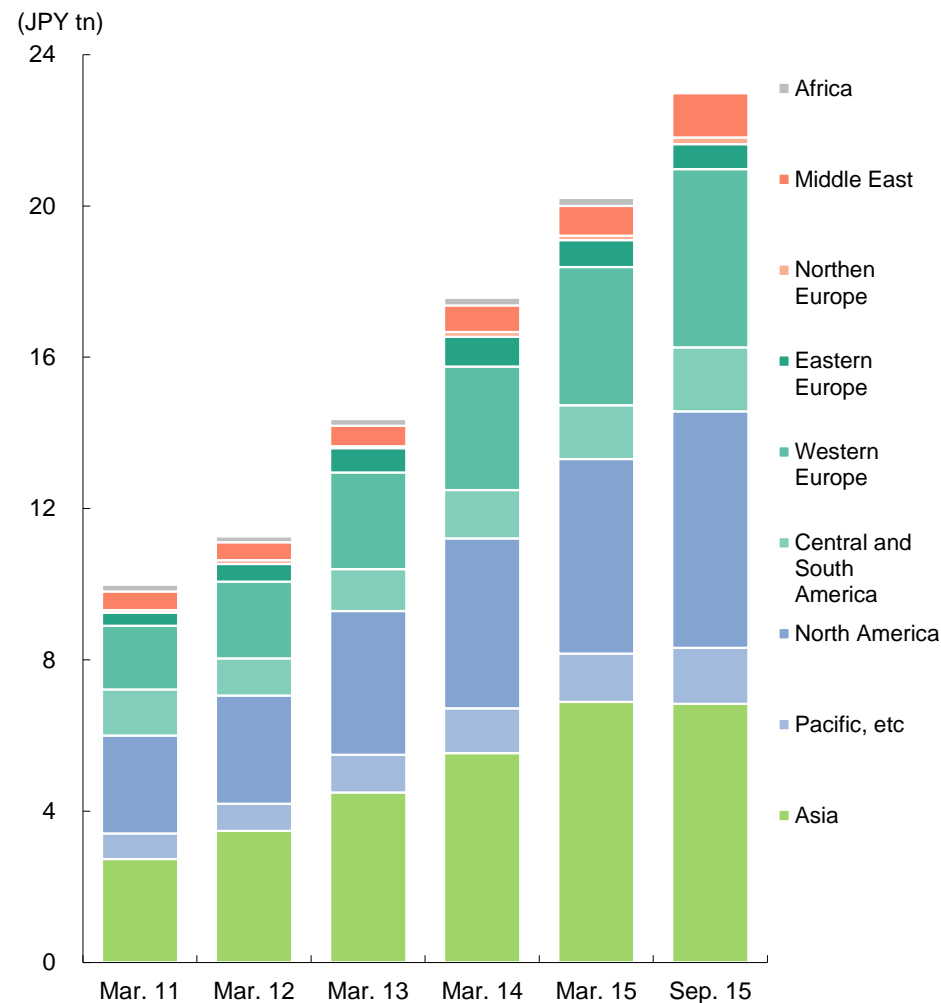
# Overseas loan balance classified by industry and domicile

(Geographic classification based on domicile of borrowers)\*

## By industry



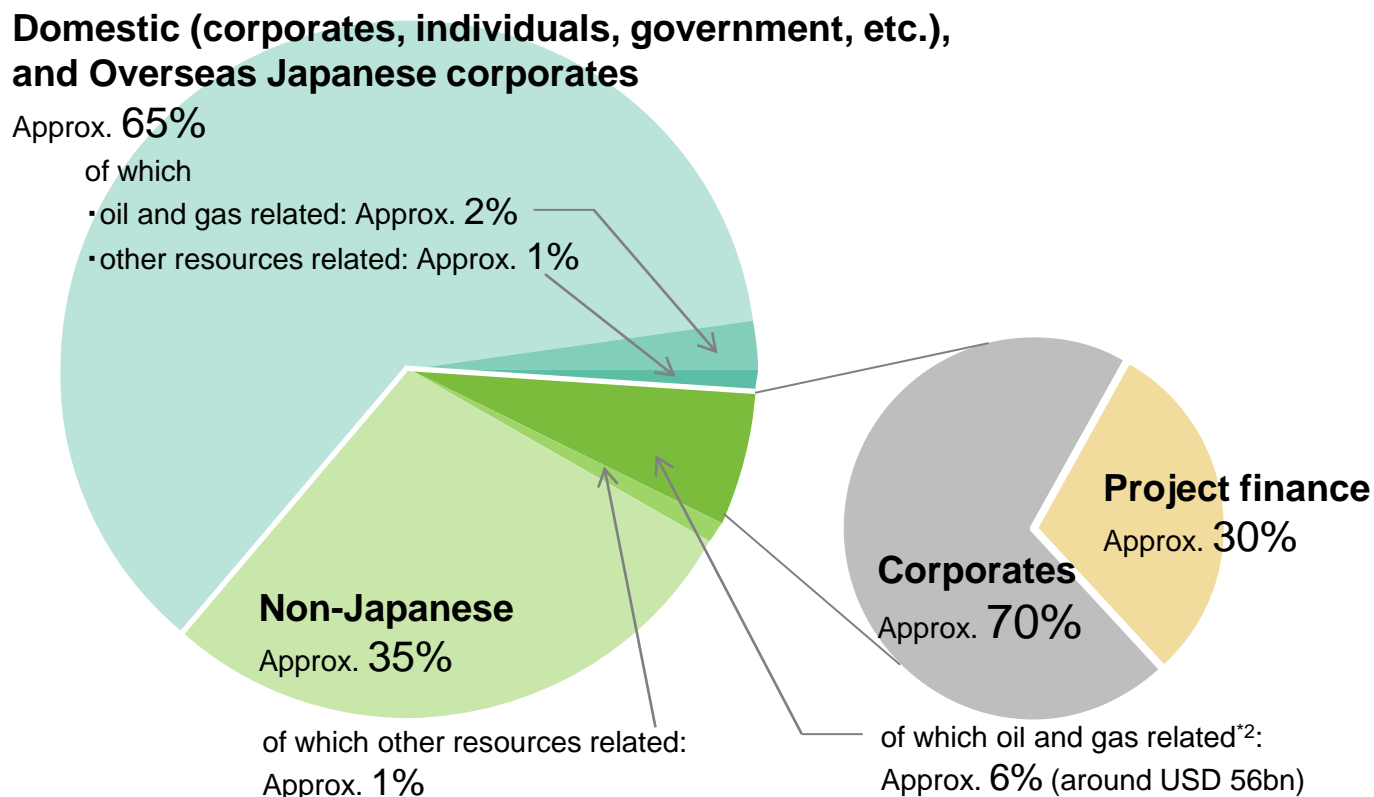
## By domicile



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

# ■ Exposure to oil and gas / other resources related industries

## Exposure to oil and gas / other resources related industries (SMFG consolidated)\*1, 2



### ● Non-Japanese oil and gas related exposure

- Around 90% is classified as “1-3” in our internal rating
- Total exposure to E&P (Exploration & Production) related corporates / projects including oil majors that is vulnerable to the fall of oil prices is less than USD 30 bn

\*1 Loans, commitment lines, guarantees, investments, etc.

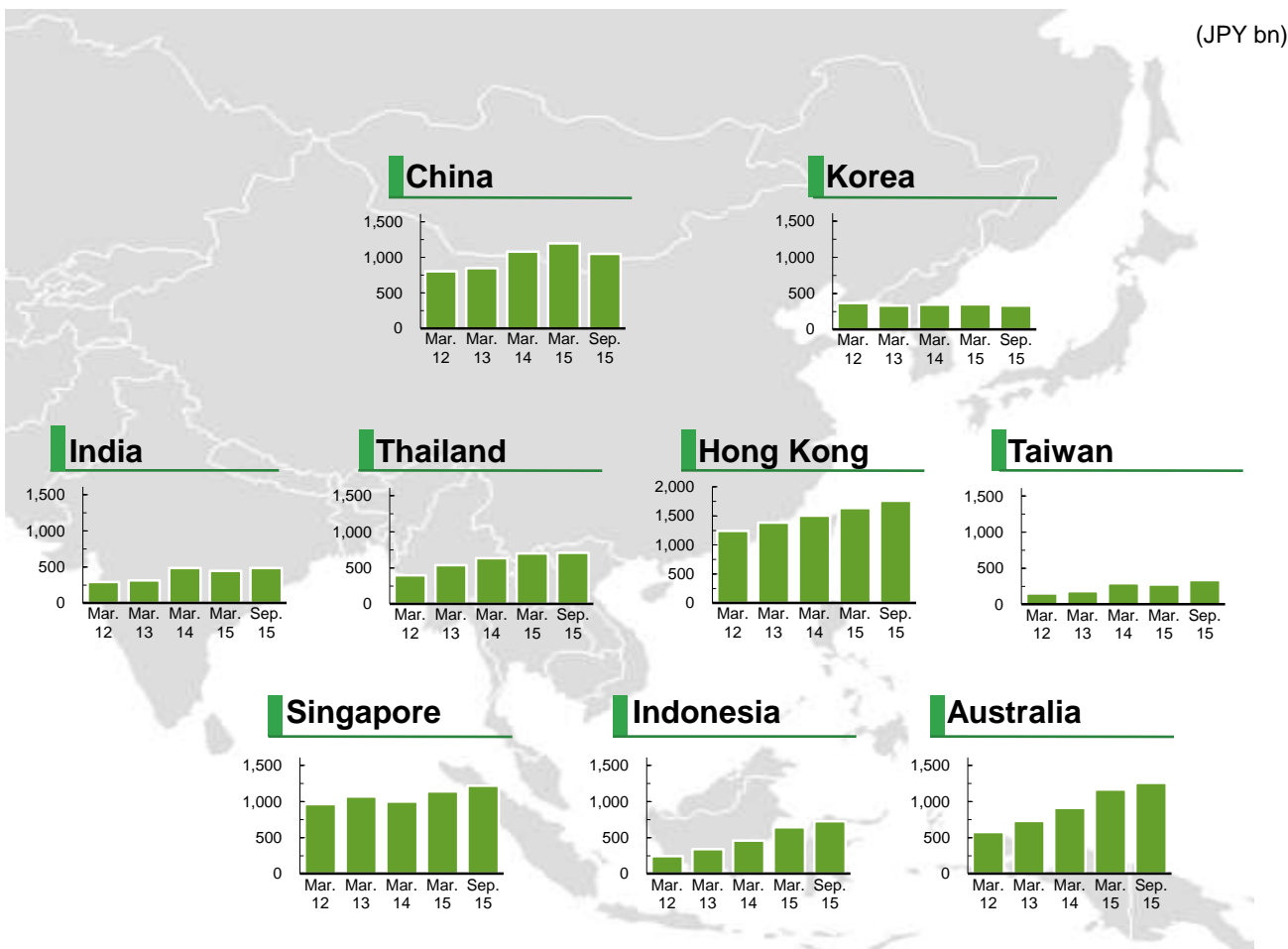
\*2 Amount of non-Japanese oil and gas / other resources related exposures are as of Dec. 31, 2015. Others including SMFG's total exposures are as of Sep. 30, 2015



# International business – SMFG's footprint in Asia

## Loan balance in Asian countries

(Geographic classification based on domicile of borrowers)\*



## Strategic partners

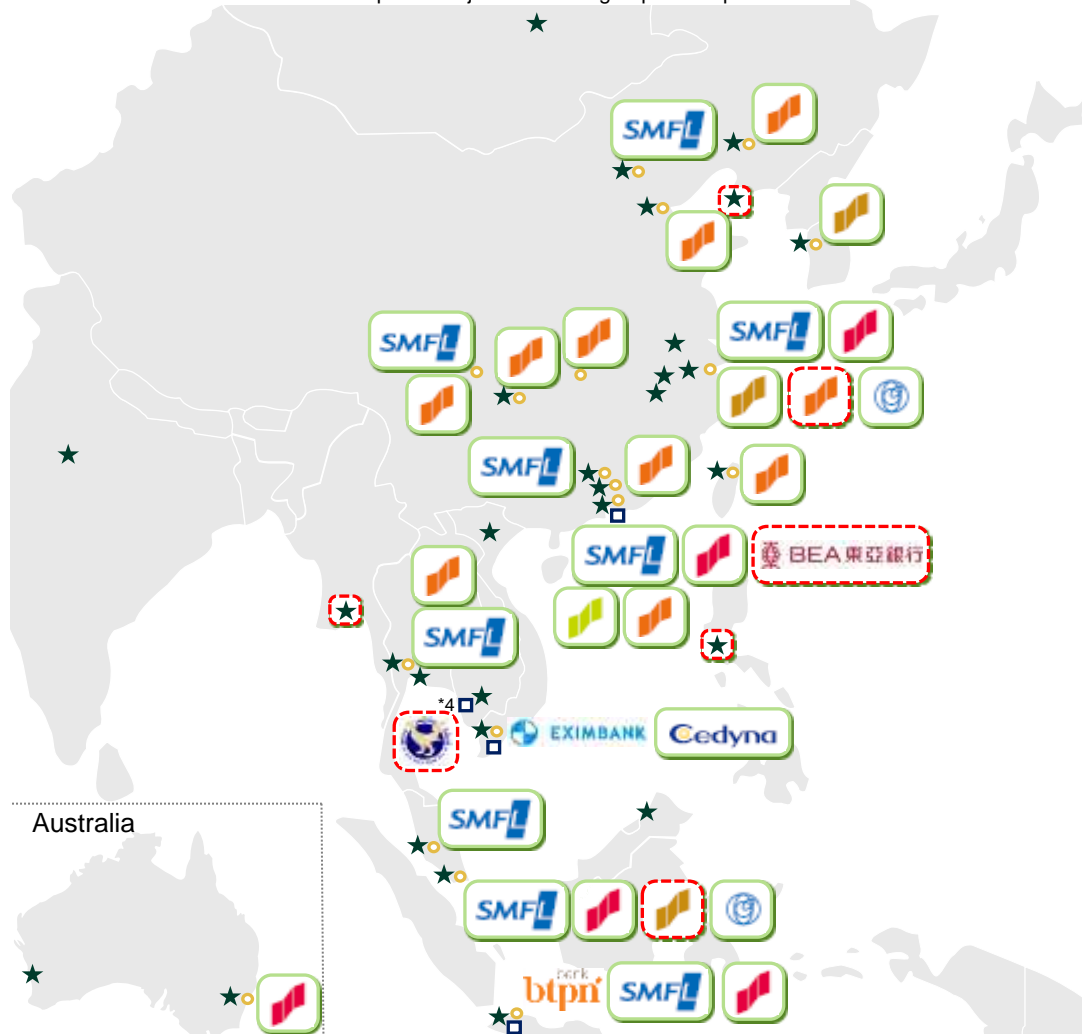
(Equity method affiliates of SMBC)

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 dotted outline indicates offices opened or joined SMFG group after Apr. 2014



SMBC SUMITOMO MITSUBISHI BANKING CORPORATION	Banking	< Asia and Oceania > 14 countries/areas, 39 offices* <sup>1</sup>	
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	
SUMITOMO MITSUBISHI CARD COMPANY, LIMITED	Prepaid card services	Seoul* <sup>2</sup>	
	Consulting	Shanghai	
	Market research	Singapore	
Cedyne	Auto loans	Ho Chi Minh* <sup>3</sup>	
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>	

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

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

\*<sup>3</sup> Expanded auto loan business through alliance with Vietnam Eximbank since May 2013

\*<sup>4</sup> SMBC made ACLEDA Bank an equity method affiliate in Sep. 2015

# SMBC Nikko Securities

## Financial results (consolidated)

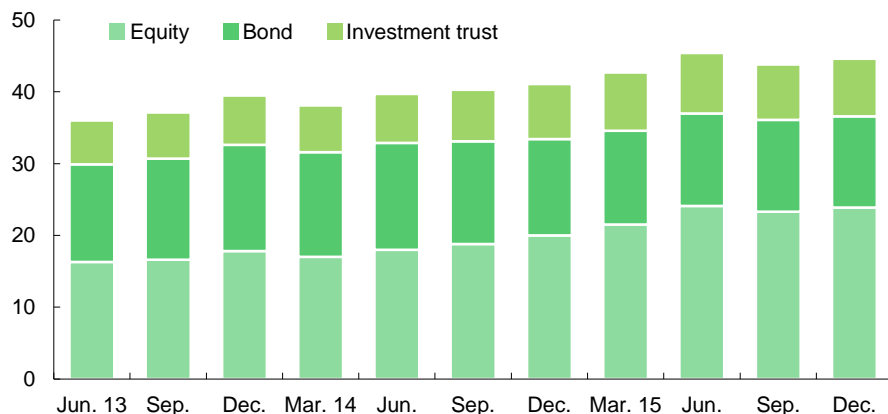
(JPY bn)	FY3/15	3Q, FY3/16	YOY change
Net operating revenue	329.2	235.2	(4.3)
Ordinary income <sup>*1</sup>	96.2	54.0	(15.7)
Profit attributable to owners of parent <sup>*1</sup>	64.7	40.1	(5.9)

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

	Rank	Market share
Global equity & equity-related (book runner, underwriting amount) <sup>*4</sup>	#3	14.0%
JPY denominated bonds (lead manager, underwriting amount) <sup>*5</sup>	#3	16.9%
Financial advisor (M&A, No. of deals) <sup>*6</sup>	#2	5.0%
Financial advisor (M&A, transaction volume) <sup>*6</sup>	#3	28.4%

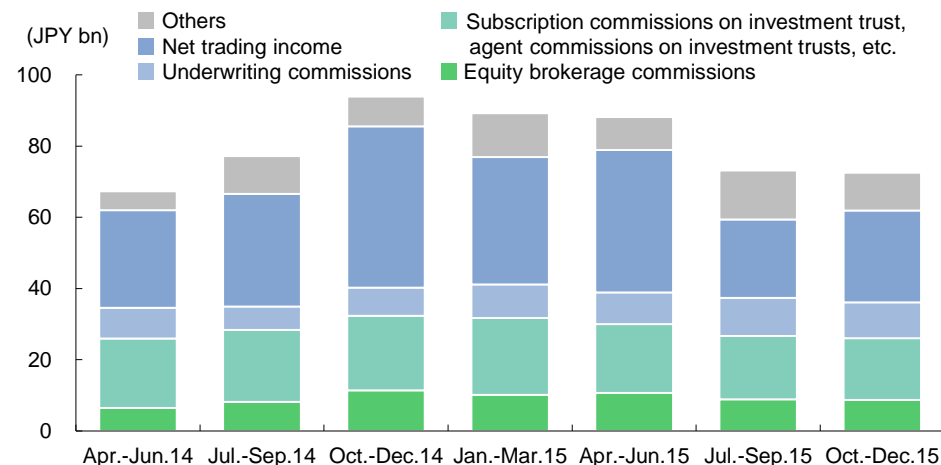
## Client assets

(JPY tn)



## Net operating revenue

(JPY bn)



<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 a 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

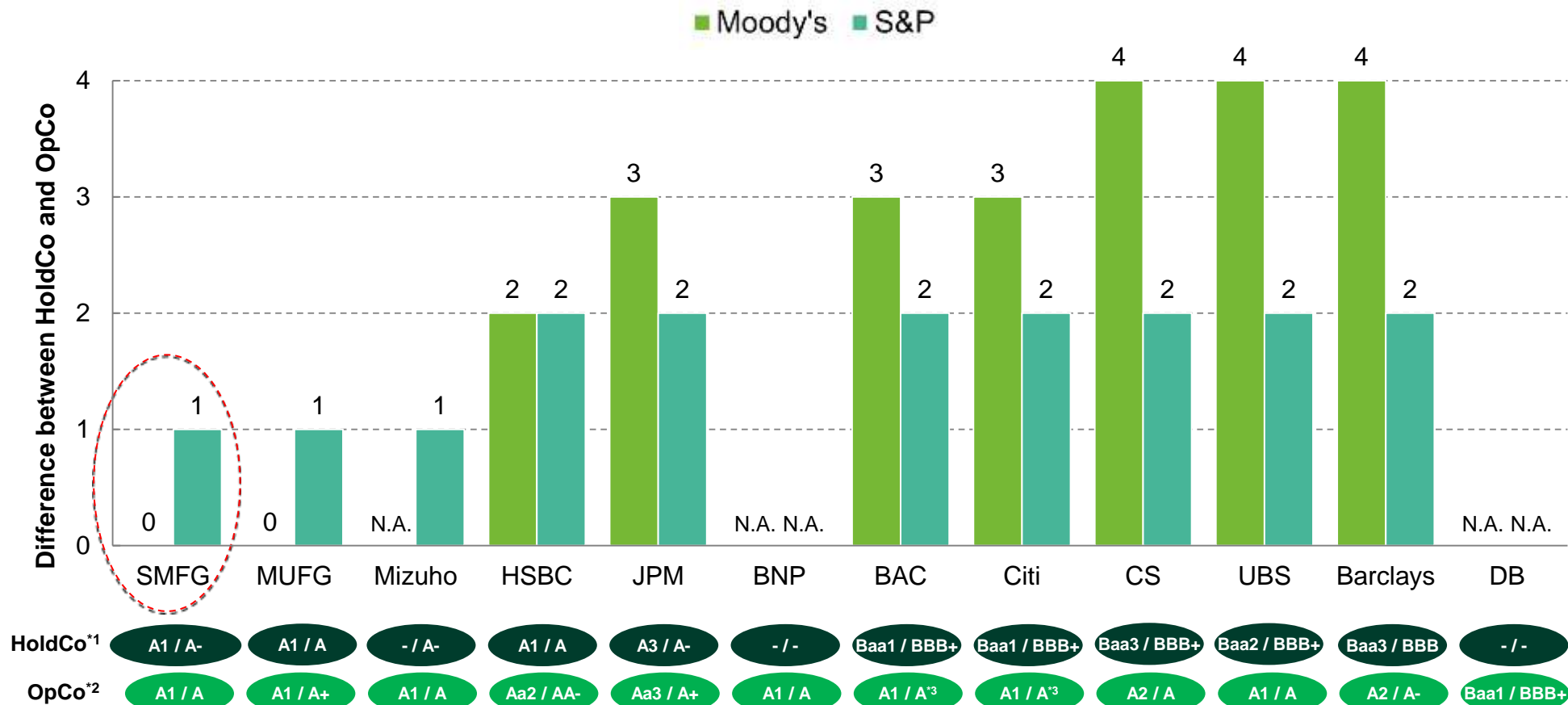
# ■ Group-based initiatives – IT innovation

- 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
			✓ Improved SMBC's service by utilizing image recognition technology from <b>NEC</b> ✓ Improved quality of call center by utilizing Watson from <b>IBM</b>	✓ Capital and business alliance with <b>GMO Payment Gateway</b> (payment service provider) ✓ Partnership agreement with <b>Plug and Play</b> (global accelerator) ✓ Collaborative research about blockchain technology with <b>NII*</b>
	✓ Set up <b>U.S. Market Research Section</b> (Silicon Valley)	✓ Began offering a smartphone settlement service by <b>Square</b>	✓ Set up <b>South-East Asia Market Research Section</b> (Singapore)	✓ Collaboration with <b>Stripe</b> (multi-foreign currency online settlement provider)
				✓ Introduced a personal robot named "Pepper" from <b>Softbank Robotics</b>
			✓ Started offering loans for merchants on <b>Yahoo's</b> internet shopping mall	

# Credit ratings of G-SIBs

## Credit ratings of selected G-SIBs (as of Mar. 11, 2016)



\*1 Senior unsecured ratings (if not available, long-term Issuer Ratings for Moody's and long-term Issuer Credit Ratings for S&P)

\*2 Senior unsecured 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 and Deutsche Bank AG, respectively

\*3 Under review for possible upgrade

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

	Mar. 2016 <sup>*2</sup>				
	Moody's		S&P		
Aaa					AAA
Aa1					AA+
Aa2					AA
Aa3					AA-
A1	<div><b>SMFG</b></div> <div><div>Bank of New York Mellon</div><div>HSBC</div></div>	<div><b>MUFG</b></div> <div><div>Standard Chartered</div></div>			A+
A2	<div><div>State Street</div></div>	<div><div>Wells Fargo</div></div>	<div><div>Bank of New York Mellon</div><div>HSBC</div><div>MUFG</div></div>	<div><div>State Street</div><div>Wells Fargo</div></div>	A
A3	<div><div>Goldman Sachs</div><div>JPMorgan</div></div>	<div><div>Morgan Stanley</div></div>	<div><b>SMFG</b></div> <div><div>ING</div><div>JPMorgan</div></div>	<div><b>Mizuho FG</b></div> <div><div>Standard Chartered</div></div>	A-
Baa1	<div><div>Bank of America</div><div>Citigroup</div></div>	<div><div>ING</div></div>	<div><div>Bank of America</div><div>Citigroup</div><div>Credit Suisse</div></div>	<div><div>Goldman Sachs</div><div>Morgan Stanley</div><div>UBS</div></div>	BBB+
Baa2			<div><div>Barclays</div></div>	BBB	
Baa3	<div><div>Barclays</div></div>	<div><div>Credit Suisse</div></div>	<div><div>RBS</div></div>	BBB-	
Ba1	<div><div>RBS</div></div>				BB+

<sup>\*1</sup> Rating are Long-term issuer ratings (if not available, Senior unsecured ratings for Moody's)

<sup>\*2</sup> As of Mar. 11, 2016

# Credit ratings of G-SIBs by Moody's – Operating banks\*1

	Apr. 2001	Jul. 2007	Mar. 2016*2
Aaa		<ul style="list-style-type: none"> <li>Bank of America</li> <li>Bank of New York Mellon</li> <li>Citibank</li> <li>JPMorgan Chase Bank</li> <li>Royal Bank of Scotland</li> <li>UBS</li> <li>Wells Fargo Bank</li> </ul>	
Aa1	<ul style="list-style-type: none"> <li>Bank of America</li> <li>Crédit Agricole</li> <li>UBS</li> <li>Wells Fargo Bank</li> </ul>	<ul style="list-style-type: none"> <li>Banco Santander</li> <li>Barclays Bank</li> <li>BNP Paribas</li> <li>Crédit Agricole</li> <li>Credit Suisse</li> <li>Deutsche Bank</li> <li>HSBC Bank</li> <li>ING Bank</li> <li>Nordea Bank</li> <li>Société Générale</li> <li>State Street Bank &amp; Trust</li> </ul>	
Aa2	<ul style="list-style-type: none"> <li>Bank of New York Mellon</li> <li>Barclays Bank</li> <li>Citibank</li> <li>HSBC Bank</li> <li>ING Bank</li> <li>JPMorgan Chase Bank</li> <li>Royal Bank of Scotland</li> <li>State Street Bank &amp; Trust</li> </ul>	<ul style="list-style-type: none"> <li><b>SMBC</b></li> <li>BPCE(Banque Populaire)</li> <li><b>BTMU</b></li> <li><b>Mizuho Bank</b></li> <li>UniCredit</li> </ul>	<ul style="list-style-type: none"> <li>Bank of New York Mellon</li> <li>HSBC Bank</li> <li>Wells Fargo Bank</li> </ul>
Aa3	<ul style="list-style-type: none"> <li>Banco Santander</li> <li>BNP Paribas</li> <li>BPCE(Banque Populaire)</li> <li>Deutsche Bank</li> <li>Société Générale</li> <li>UniCredit</li> </ul>	<ul style="list-style-type: none"> <li>Goldman Sachs Bank</li> <li>Morgan Stanley Bank</li> </ul>	<ul style="list-style-type: none"> <li>JPMorgan Chase Bank</li> <li>Nordea Bank</li> <li>Standard Chartered Bank</li> </ul>
A1	<ul style="list-style-type: none"> <li>Credit Suisse</li> </ul>	<ul style="list-style-type: none"> <li>Agricultural Bank of China</li> <li>Bank of China</li> <li>China Construction Bank</li> <li>ICBC</li> </ul>	<ul style="list-style-type: none"> <li><b>SMBC</b></li> <li>Agricultural Bank of China</li> <li>Bank of America</li> <li>Bank of China</li> <li>BNP Paribas</li> <li><b>BTMU</b></li> <li>China Construction Bank</li> <li>Citibank</li> <li>Goldman Sachs Bank</li> <li>ICBC</li> <li>ING Bank</li> <li><b>Mizuho Bank</b></li> <li>Morgan Stanley Bank</li> <li>State Street Bank &amp; Trust</li> <li>UBS</li> </ul>
A2	<ul style="list-style-type: none"> <li><b>BTMU</b></li> <li>Standard Chartered Bank</li> </ul>	<ul style="list-style-type: none"> <li>Standard Chartered Bank</li> </ul>	<ul style="list-style-type: none"> <li>Barclays Bank</li> <li>BPCE (Banque Populaire)</li> <li>Crédit Agricole</li> <li>Credit Suisse</li> <li>Société Générale</li> </ul>
A3	<ul style="list-style-type: none"> <li><b>SMBC</b></li> <li><b>Mizuho Bank</b></li> </ul>		<ul style="list-style-type: none"> <li>Banco Santander</li> <li>Royal Bank of Scotland</li> </ul>
Baa1	<ul style="list-style-type: none"> <li>Agricultural Bank of China</li> <li>Bank of China</li> <li>China Construction Bank</li> <li>ICBC</li> </ul>		<ul style="list-style-type: none"> <li>Deutsche Bank</li> <li>UniCredit</li> </ul>

\*1 Rating are Long-term issuer ratings (if not available, Senior unsecured ratings. If none of them are available, Long-term deposit ratings)

\*2 As of Mar. 11, 2016

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

	Apr. 2001		Jul. 2007		Mar. 2016 <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 •BNP Paribas •Citibank •HSBC Bank	•ING Bank •Royal Bank of Scotland •Société Générale •Wells Fargo Bank	•Bank of New York Mellon •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> •BTMU •Mizuho Bank	•Standard Chartered Bank •UniCredit	•BTMU •JPMorgan Chase Bank	•Standard Chartered Bank
A	•Standard Chartered Bank				<b>SMBC</b> •Agricultural Bank of China •Bank of America •Bank of China •BNP Paribas •BPCE (Banque Populaire) •China Construction Bank •Citibank •Crédit Agricole	•Credit Suisse •Goldman Sachs Bank •ICBC •ING Bank •Mizuho Bank •Morgan Stanley Bank •Société Générale •UBS
A-	•BTMU				•Banco Santander	•Barclays Bank
BBB+	<b>SMBC</b>	•Mizuho Bank	•Bank of China •China Construction Bank	•ICBC	•Deutsche Bank	•Royal Bank of Scotland
BBB						
BBB-					•UniCredit	
BB+	•Bank of China •China Construction Bank	•ICBC				

\*1 Long-term issuer ratings of operating banks

\*2 As of Mar. 11, 2016

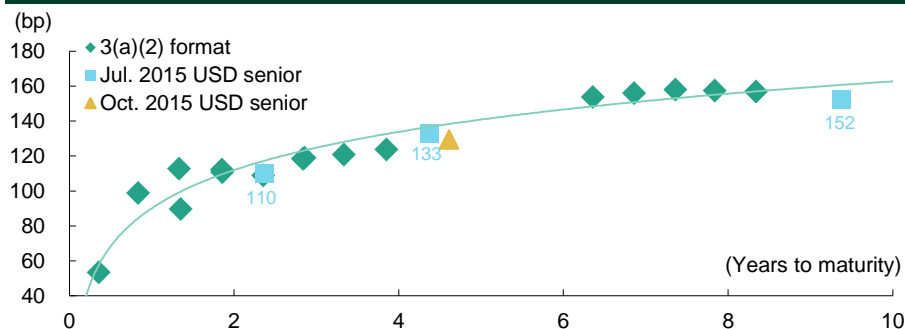


# SMBC USD senior bonds issuances

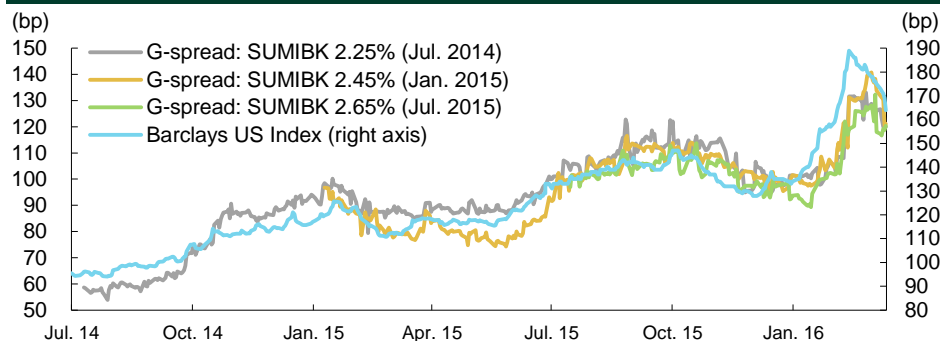
## Highlights

- 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



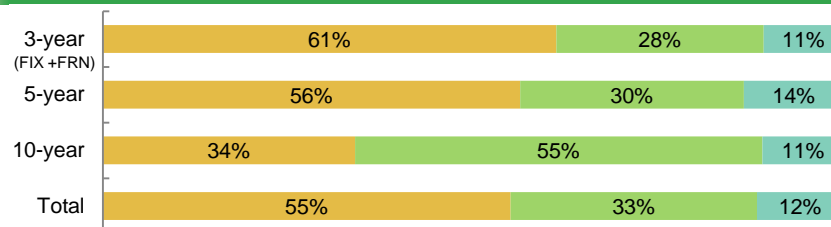
\*1 Source: Bloomberg, Barclays US Aggregate Financial Institutions Index as of Mar. 11, 2016

\*2 Percentages are calculated by weighted average of amount issued of Jul. 2012, Jan. 2013, Jan. 2014, Jul. 2014, Jan. 2015, Feb. 2015, Jul. 2015, Oct. 2015 and Jan. 2016

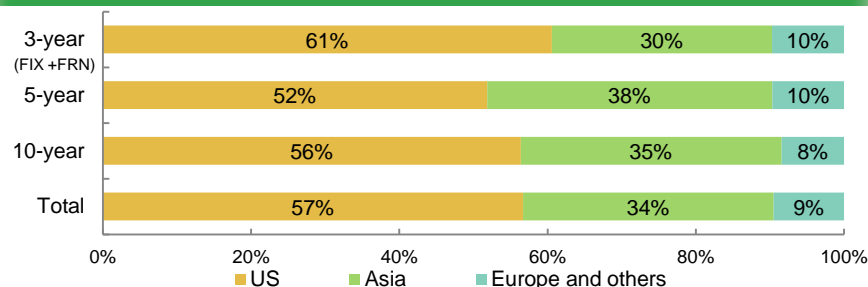
\*3 Weighted average maturity (years) of senior term funding issuance. For the callable bonds, 1<sup>st</sup> call dates are regarded as their maturity dates

## Geographical breakdown of allocation

### USD senior bonds – in Jul. 2015

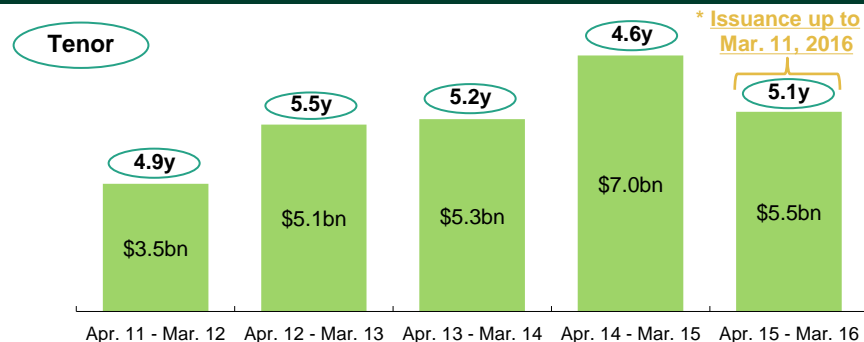


### USD senior bonds – since Jul. 2012\*2



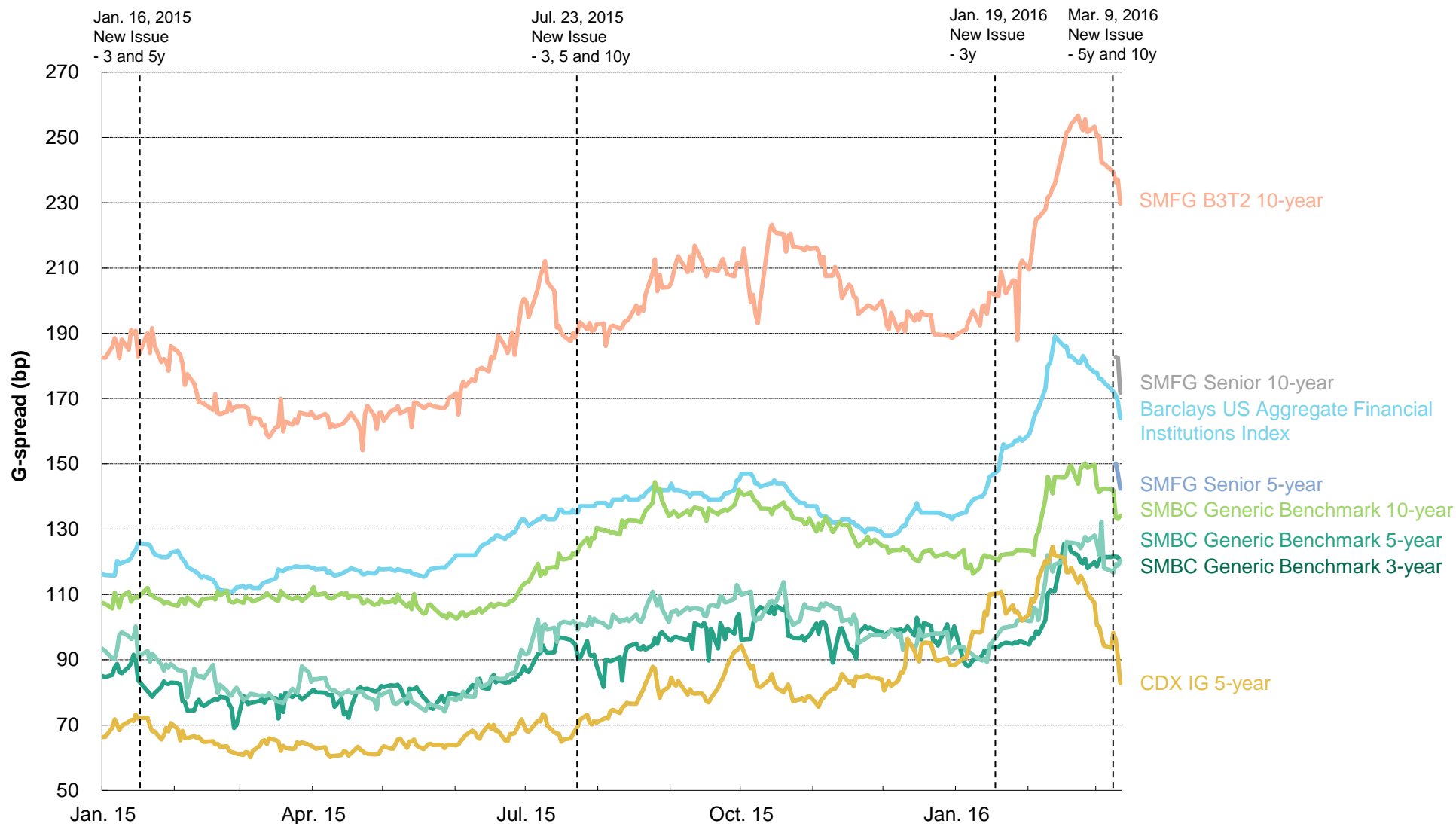
## USD term funding

### – volume and tenor of new issuance\*3

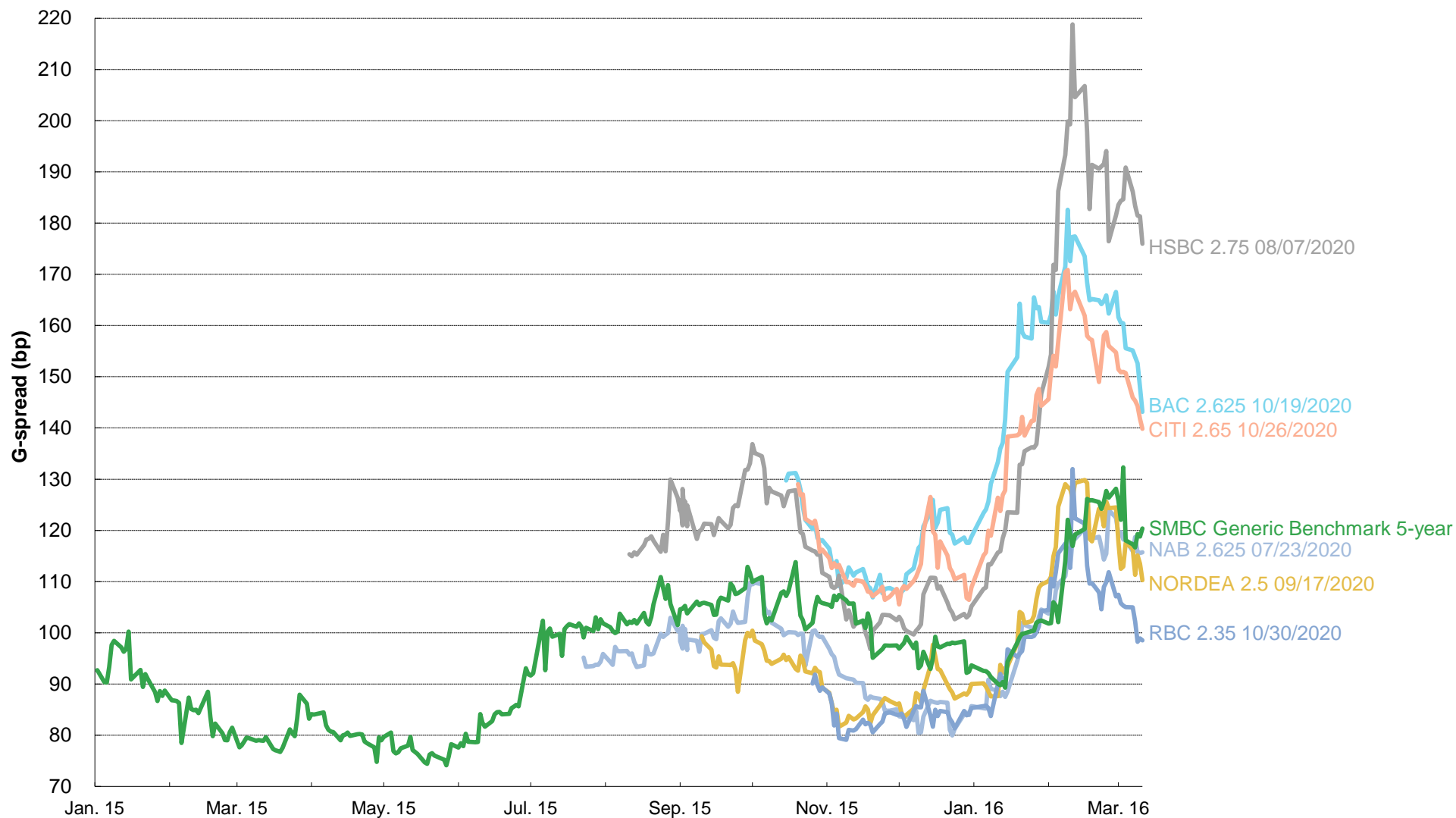


\* Issuance up to Mar. 11, 2016

# ■ SMBC / SMFG USD senior / subdebt secondary - since 2015\*



## ■ USD senior secondary comps (G-spread) - since 2015\*



\* Source: Bloomberg as of Mar. 11, 2016

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

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

\*1 As of Mar.11, 2016. Gray background bonds mean that the bonds have already been redeemed

\*2 Spread over US Treasury unless otherwise indicated

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

Issue date	Issuer	Sub/Senior	Format	Tenor	Maturity date	Amount (mn)	Coupon	Spread*2	Ticker
USD denominated (cont'd)									
Jun. 11, 2014	SMBC	Senior	Private Placement	5 years	Jun. 11, 2019	100	LIBOR+0.52%	LIBOR+0.52%	SUMIBK Float 06/11/19 Corp
Jul. 11, 2014	SMBC	Senior	3(a)(2)	3 years	Jul. 11, 2017	1,000	1.35%	+45bp	SUMIBK 1.35 Corp(07/11/17)
				3 years	Jul. 11, 2017	500	LIBOR+0.32%	LIBOR+0.32%	SUMIBK Float 07/11/17 Corp
				5 years	Jul. 11, 2019	1,000	2.25%	+60bp	SUMIBK 2.25 Corp(07/11/19)
				10 years	Jul. 11, 2024	500	3.40%	+85bp	SUMIBK 3.4 Corp(07/11/24)
Dec. 29, 2014	SMBC	Senior	Domestic Retail	4 years	Dec. 5, 2018	50	1.67%	--	SUMIBK 1.67 Corp
Jan. 16, 2015	SMBC	Senior	3(a)(2)	3 years	Jan. 16, 2018	750	1.75%	+80bp	SUMIBK 1.75 Corp(01/16/18)
				3 years	Jan. 16, 2018	500	LIBOR+0.58%	LIBOR+0.58%	SUMIBK Float 01/16/18 Corp
				5 years	Jan. 16, 2020	1,000	2.45%	+100bp	SUMIBK 2.45 Corp(01/16/20)
Feb. 25, 2015	SMBC	Senior	3(a)(2) Re-opening of Jan. 2015	3 years	Jan. 16, 2018	500	LIBOR+0.58%	--	SUMIBK Float 01/16/18 Corp
				5 years	Jan. 16, 2020	750	2.45%	--	SUMIBK 2.45 Corp(01/16/20)
Mar. 5, 2015	SMBC	Senior	Private Placement	15 years	Mar. 5, 2030	55	3.31%	--	SUMIBK 3.31 Corp
Mar. 23, 2015	SMBC	Senior	Domestic Retail	5 years	Mar. 11, 2020	90	2.05%	--	SUMIBK 2.05 Corp(03/11/20)
May 28, 2015	SMBC	Senior	Formosa	30NC10	May 28, 2045	655	4.30%	--	SUMIBK 4.3 Corp(05/28/2045)
Jul. 23, 2015	SMBC	Senior	3(a)(2)	3 years	Jul. 23, 2018	1,000	1.95%	+95bp	SUMIBK 1.95 Corp(07/23/18)
				3 years	Jul. 23, 2018	500	LIBOR+0.74%	LIBOR+0.74%	SUMIBK Float 07/23/18 Corp
				5 years	Jul. 23, 2020	1,000	2.65%	+100bp	SUMIBK 2.65 Corp(07/23/20)
				10 years	Jul. 23, 2025	500	3.65%	+130bp	SUMIBK 3.65 Corp
Aug. 24, 2015	SMBC	Senior	Domestic Retail	5 years	Aug. 24, 2020	60	2.09%	--	SUMIBK 2.09 Corp(08/24/20)
Oct. 20, 2015	SMBC	Senior*3	3(a)(2)	5 years	Oct. 20, 2020	500	2.45%	+120bp	SUMIBK 2.45 Corp(10/20/20)
Jan. 19, 2016	SMBC	Senior	3(a)(2)	3 years	Jan. 18, 2019	750	2.05%	+95bp	SUMIBK 2.05 Corp(01/18/19)
				3 years	Jan. 18, 2019	500	LIBOR+0.94%	LIBOR+0.94%	SUMIBK Float 01/18/19 Corp
Mar. 9, 2016	SMFG	Senior	SEC Registered	5 years	Mar. 9, 2021	1,750	2.934%	+160bp	SUMIBK 2.934 Corp
				5 years	Mar. 9, 2021	750	LIBOR+1.68%	LIBOR+1.68%	SUMIBK Float 03/09/21 Corp
				10 years	Mar. 9, 2026	1,500	3.784%	+195bp	SUMIBK 3.784 Corp

\*1 As of Mar.11, 2016.

\*2 Spread over US Treasury unless otherwise indicated

\*3 Green Bond

# ■ Key points of TLAC requirements and senior notes of SMFG

## Anticipated TLAC and capital buffer requirements

- Anticipated TLAC and capital buffer requirements for SMFG are effectively 17% of risk weighted assets (“RWA”) from 2019 and 18% from 2022, taking into account expected treatment of access to Deposit Insurance Fund Reserves in Japan as TLAC<sup>\*1</sup>
- Total capital ratio stood at 17.51%<sup>\*2</sup> as of December 2015

## Safeguards before incurring losses at PoNV

- Senior notes may incur losses depending on recovery value through court-administered insolvency proceedings of SMFG which is expected to commence subsequent to point of non-viability (“PoNV”)
  - Before senior notes incur losses, all Basel III eligible AT1 and Tier 2 instruments will be fully<sup>\*3</sup> written down upon PoNV in accordance with their terms
- PoNV will be reached upon a suspension of payment or having negative net worth<sup>\*4</sup>
  - Prior reaching to PoNV, SMFG will need to implement a recovery plan upon reaching certain regulatory capital level to remain viable
  - Also SMFG will be required to meet various capital requirements, a breach of which will result in certain corrective measures<sup>\*5</sup>

<sup>\*1</sup> Please see page 46 for assumptions and calculations. Final TLAC standards (“Principles on Loss-Absorbing and Recapitalisation Capacity of G-SIBs in Resolution, Total Loss-Absorbing Capacity (TLAC) Term Sheet”) published by Financial Stability Board (“FSB”) also include a minimum requirement based on a leverage ratio denominator basis. However, based on SMFG’s current leverage ratio calculations, SMFG expects that the anticipated TLAC requirements based on RWA will be the primary binding constraint for SMFG

<sup>\*2</sup> SMFG consolidated Basel III total capital ratio on a transitional basis

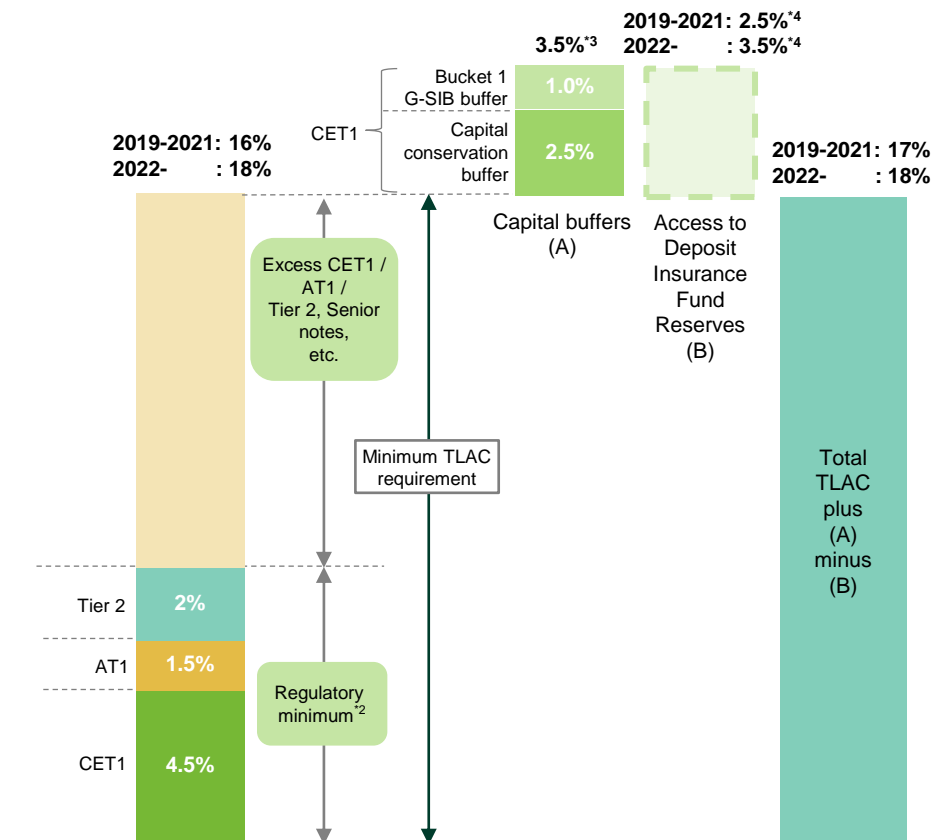
<sup>\*3</sup> Except for the amounts that have become due and payable prior to the occurrence of PoNV

<sup>\*4</sup> PoNV will be deemed to have been reached when the Prime Minister of Japan, following deliberation by Japan’s Financial Crisis Response Council pursuant to the Deposit Insurance Act, confirms (*nintei*) that “specified Item 2 measures (*tokutei dai nigo sochi*),” which are the measures set forth in Article 126-2, Paragraph 1, Item 2 of the Deposit Insurance Act, as then in effect, need to be applied to a financial institution under circumstances where its liabilities exceed or are likely to exceed its assets, or it has suspended or is likely to suspend payment of its obligations

<sup>\*5</sup> In addition, in Japan, safeguards designed to prevent systemic disruption including capital injection are available prior to PoNV and there is a history of such capital injections

# Anticipated TLAC and capital buffer requirements for SMFG

## TLAC and capital buffer requirements for SMFG\*1



## Highlights of TLAC requirements

### Minimum external TLAC requirements

	Jan. 2019 - Dec. 2021	After Jan. 2022
Minimum external TLAC requirements (RWA basis)	16%	18%
Plus capital buffers	19.5%	21.5%
<b>Factoring treatment of access to Deposit Insurance Fund Reserves</b>	<b>17.0%</b>	<b>18.0%</b>
Minimum external TLAC requirements Leverage ratio denominator basis	6%	6.75%

- Based on current calculations, expecting that the TLAC requirements based on RWA will be more constraining than requirements based on the leverage ratio denominator

### Contribution of Japanese Deposit Insurance Fund Reserves

- According to the FSB's final TLAC standards, 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 from Jan. 2019 and 3.5% of RWA from Jan. 2022
  - Japanese Deposit Insurance Fund Reserves are believed to qualify as such<sup>\*5</sup>

\*1 Based on the FSB's final TLAC standards released in Nov. 2015

\*2 Under current capital requirements

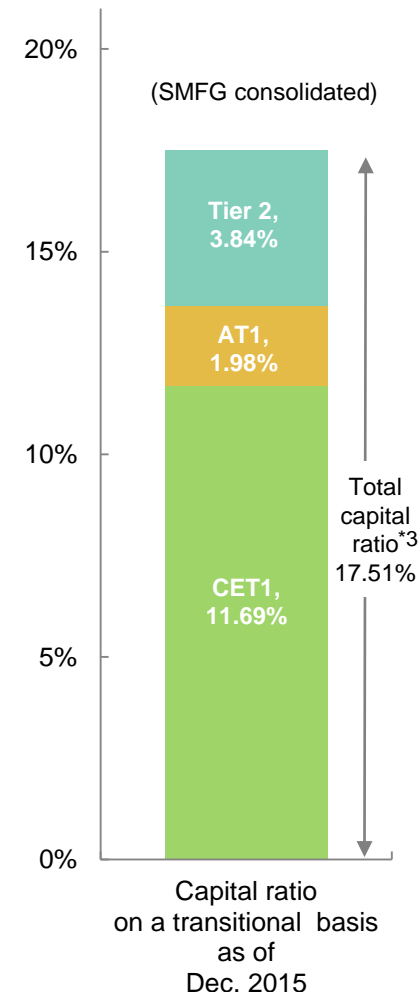
\*3 Excludes countercyclical buffer. As for G-SIB buffer, SMFG was allocated to bucket 1 (1.0%) according to the list published by the Financial Stability Board in Nov. 2015. Capital buffers will be fully implemented in 2019

\*4 Contribution of Deposit Insurance Fund Reserves may account for an amount equivalent to 2.5% of RWA toward the resolution entity's Minimum TLAC when the TLAC requirement based on RWA is 16% and for an amount equivalent to 3.5% of RWA when the requirement is 18%

\*5 As stated by Taro Aso, Deputy Prime Minister, Minister of Finance, and Minister of State for Financial Services at the press conference on Nov. 10, 2015

# ■ Meeting TLAC requirements

<b>TLAC senior</b>	<ul style="list-style-type: none"> <li>Senior unsecured debt instruments issued by holding company are expected to count as “external TLAC”<sup>*1</sup></li> <li>SMBC, the core operating bank of SMFG, has been increasing capital markets funding, which demonstrates the potential funding capacity for SMFG (e.g. SMBC / SMFG senior unsecured debt instruments issuance amount: \$9.0 bn in FY3/2015, \$12.8 bn in FY3/2016TD)<sup>*2</sup></li> </ul>
<b>Tier 2 capital</b>	<ul style="list-style-type: none"> <li>Aim to fill buckets of 1.5% AT1 and 2.0% Tier 2 capital through regular refinancing with Basel III eligible instruments issued by SMFG to achieve an efficient capital structure</li> </ul>
<b>AT1 capital</b>	
<b>CET1 capital</b>	<ul style="list-style-type: none"> <li>Aim to secure CET1 ratio of at least around 10% on a fully loaded basis</li> <li>Prepare for the tightening of international financial regulations and downside risks in the economy</li> </ul>
<hr/>	
<b>RWAs</b>	<ul style="list-style-type: none"> <li>Closely monitoring regulatory developments that may increase RWAs</li> </ul>



<sup>\*1</sup> Assuming single point of entry resolution where the holding company is the resolution entity. TLAC requirements in Japan have not yet been adopted or proposed

<sup>\*2</sup> Including senior debt instruments and certificate of deposits. \$11.9 bn in FY3/2015 \$17.8 bn in FY3/2016TD including Tier 2 and AT1 capital instruments issued by SMFG. Translated into USD at the exchange rate as of Mar. 11, 2016

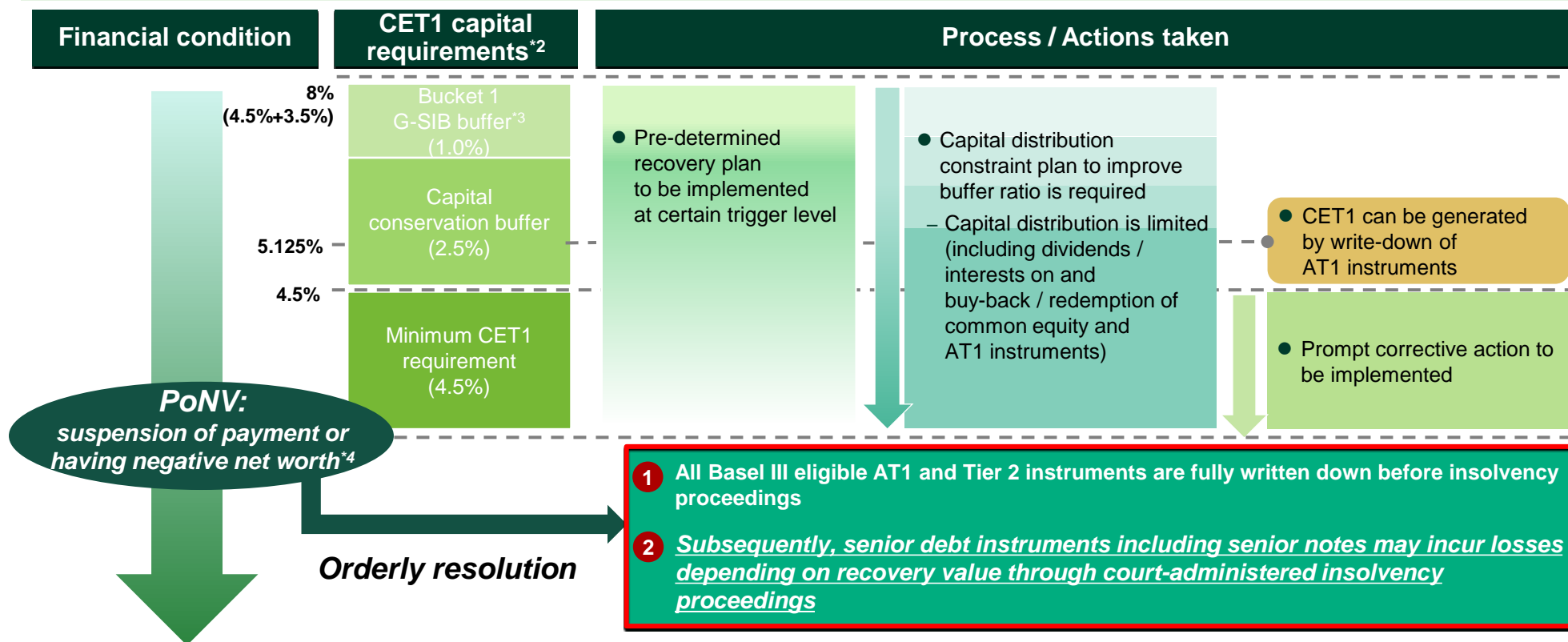
<sup>\*3</sup> This is total capital ratio on a transitional basis. Since TLAC requirements in Japan have not yet been adopted or proposed, calculation for TLAC ratio may be different from one for total capital ratio, hence there is a possibility that some items in total capital may not be included in TLAC capital



# Safeguards before incurring losses at PoNV

## - capital requirement-based corrective measures

- Senior notes may incur losses during orderly resolution which is expected to be commenced subsequent to PoNV
- All Basel III eligible AT1 and Tier 2 instruments will be fully<sup>\*1</sup> written down upon PoNV pursuant to their terms before senior notes incur losses and AT1 / Tier 2 investors will not be able to claim written down amounts in the liquidation proceedings
- Prior to reaching PoNV, SMFG will need to implement a recovery plan to remain viable. Also SMFG will be required to meet various capital requirements, a breach of which will result in certain corrective measures



<sup>\*1</sup> Except for the amounts that have become due and payable prior to the occurrence of PoNV

<sup>\*2</sup> Excludes countercyclical buffer

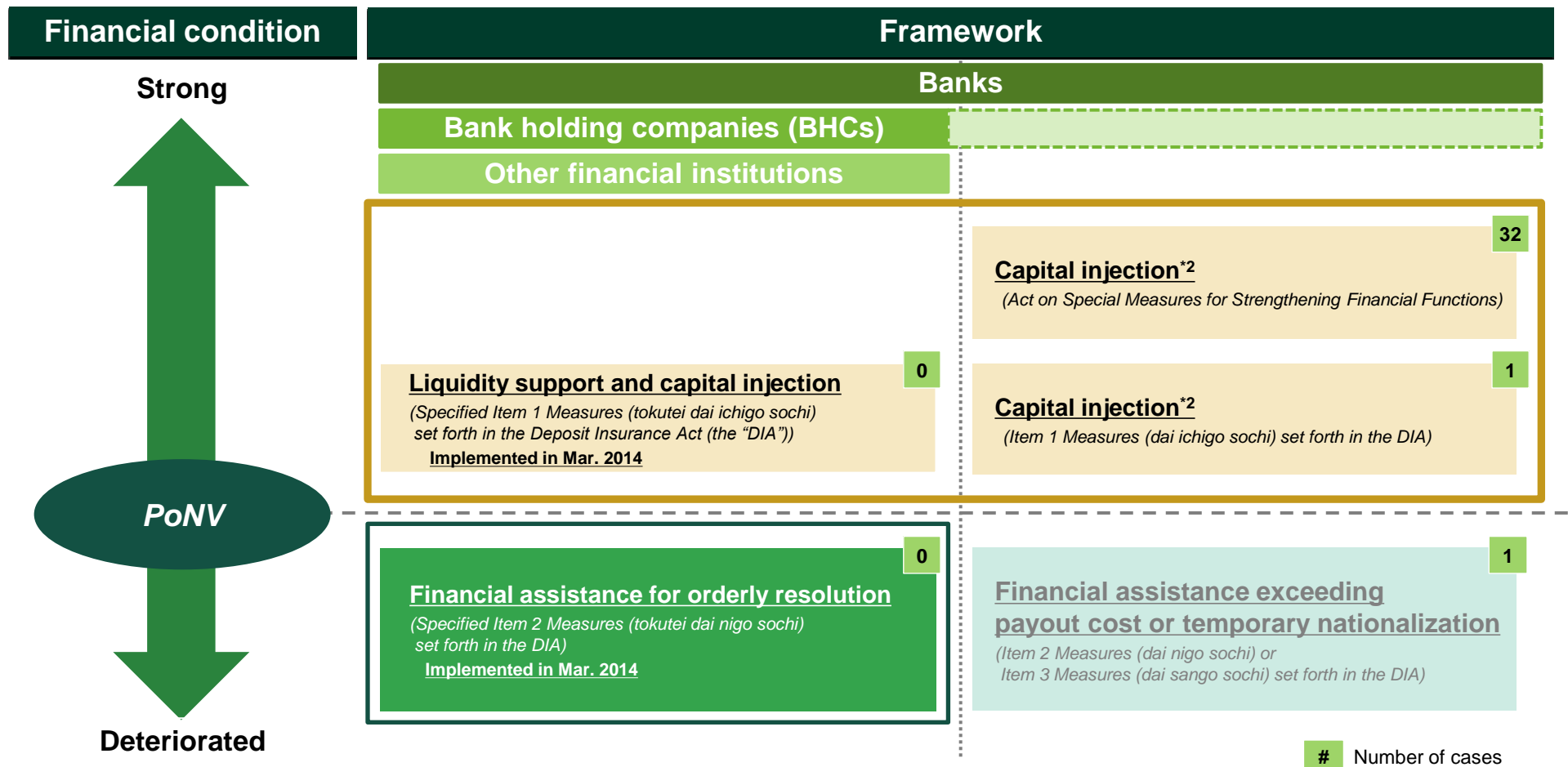
<sup>\*3</sup> As for G-SIB buffer, SMFG was allocated to bucket 1 (1.0%) according to the list published by the Financial Stability Board in Nov. 2015

<sup>\*4</sup> PoNV will be deemed to have reached when the Prime Minister of Japan, following deliberation by Japan's Financial Crisis Response Council pursuant to the Deposit Insurance Act, confirms (*nintei*) that "specified Item 2 measures (*tokutei dai nigo sochi*)," which are the measures set forth in Article 126-2, Paragraph 1, Item 2 of the Deposit Insurance Act, as then in effect, need to be applied to an institution under circumstances where its liabilities exceed or are likely to exceed assets, or it has suspended or is likely to suspend payment of obligations

# Safeguards before incurring losses at PoNV

## - safeguards to prevent systemic disruption

- In Japan, safeguards designed to prevent systemic disruption including capital injection are available prior to PoNV<sup>\*1</sup>
- The Mar. 2014 amendments to the Deposit Insurance Act expanded the scope of institutions eligible for the safeguards to include financial holding companies and other financial institutions

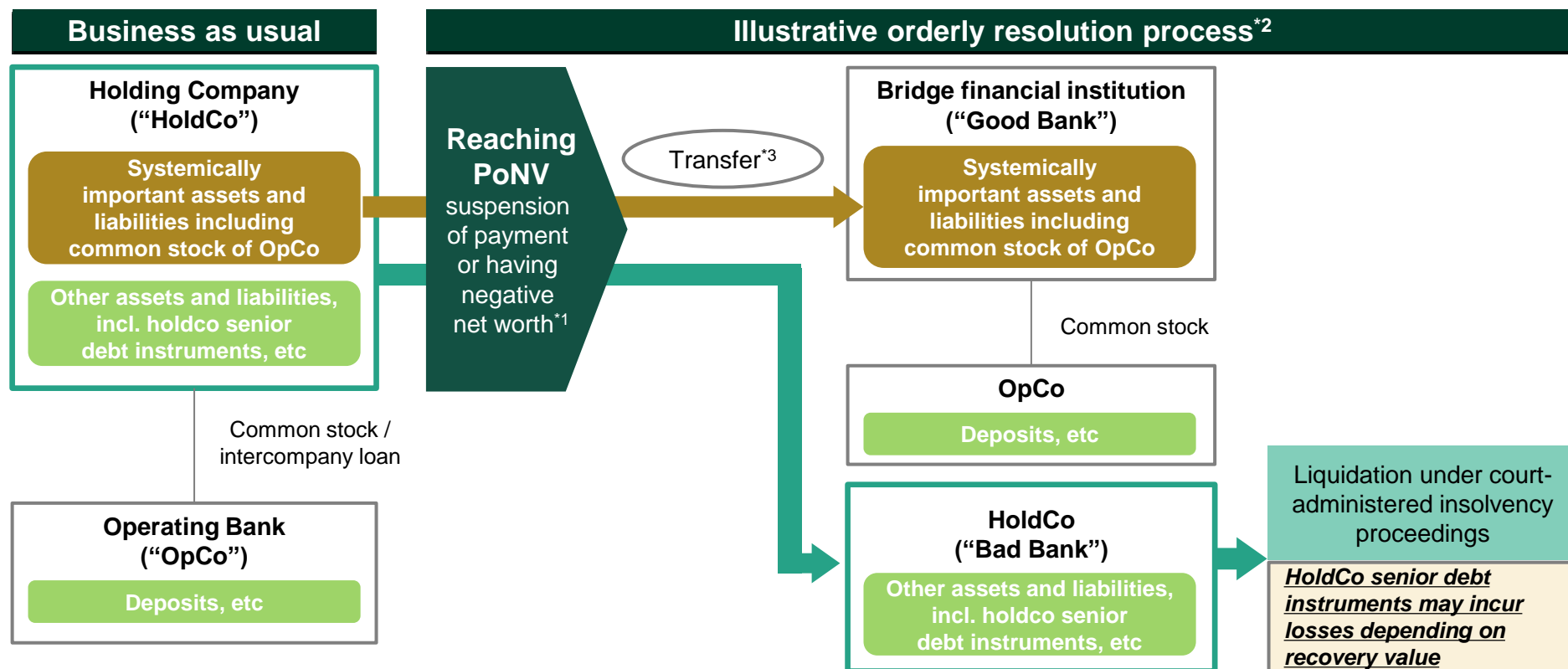


\*1 There is no assurance that any such measures would be applied in any given case

\*2 Capital injection may be made through BHCs

# Orderly resolution regime in Japan

- An orderly resolution is expected to be commenced subsequent to PoNV (suspension of payment or having negative net worth)<sup>\*1</sup>
- Senior notes may incur losses depending on recovery value through court-administered insolvency proceedings



<sup>\*1</sup> PoNV will be deemed to have been reached when the Prime Minister of Japan, following deliberation by Japan's Financial Crisis Response Council pursuant to the Deposit Insurance Act, confirms (*nintei*) that "specified Item 2 measures (*tokutei dai nigo sochi*)," which are the measures set forth in Article 126-2, Paragraph 1, Item 2 of the Deposit Insurance Act, as then in effect, need to be applied to a financial institution under circumstances where its liabilities exceed or are likely to exceed its assets, or it has suspended or is likely to suspend payment of its obligations

<sup>\*2</sup> Assuming single point of entry resolution process

<sup>\*3</sup> Transfer of business, assets and/or liabilities under special supervision by or under special control of the Deposit Insurance Company of Japan

# ■ Precedents of public sector support and resolution

Framework*1	Precedents	Date	Amount (JPY bn)
Act on Special Measures for Strengthening Financial Functions	Recent precedents of banks		
	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
Capital injection	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)
	Precedents of credit associations (Shinkumi / Shinkin)	-	213.1 (14 cases)
			Total 658.6 (32 cases)
Article 102, Paragraph 1 of Deposit Insurance Act (DIA)	Item 1 measures Capital injection	Resona Bank	Jun. 2003 1,960.0
	Item 2 measures Financial assistance exceeding payout cost	N.A.	N.A.
	Item 3 measures Temporary nationalization	Ashikaga Bank	Nov. 2003 N.A.*3

PoNV

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

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

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

\*4 There is no assurance that any such measures would be applied in any given case

# Public sector support and PoNV in Japan

Framework			Systemic risk	Subject entities	Conditions	PoNV	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	32
	Article 102 Paragraph 1 of 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* <sup>1</sup>	Yes* <sup>3</sup>	-
		Item 3 measures <i>Temporary nationalization</i>			Suspension of payment of deposits and having negative net worth* <sup>1</sup>		1
Newly established framework	Article 126-2 Paragraph 1 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>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

# 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 will be closed in Mar. 2016) •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) •Waiting for the revised consultative document published. 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	•Waiting for the consultative document published	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

\* Basel Committee on Banking Supervision

# 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)	Proposed revision of risk weights (Dec. 2015)
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	• From 20% to 150% by reference to the external credit ratings; unrated corporate of 100%; SME of 85%
Specialised lending	• 100%	• Project finance, Object finance, commodities finance, income-producing real estate finance: 120% • Exposures to land acquisition, development and construction finance: 150%	• Object and commodity finance: 120% • Project finance: pre-operational phase 150%; operational phase 100%
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	• From 20% to 150% according to the bank's external ratings
Retail exposures	• 75% for exposures that meet the regulatory retail criteria	• Considering whether to maintain	• 75% for exposures that meet the regulatory retail criteria
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	• RW will be determined based on the exposure's LTV ratio from 25% to 75%, when repayment is not materially dependent on cash flows generated by property
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	• Whether repayment is materially dependent on cash flow generated by property A) No: From 60% to 85% (SMEs) B) Yes: From 80% to 130%
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%	• Sub debts and capital instruments other than equities: 150% • Equity holdings: 250%
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%	• Retail Commitment that a bank may cancel unconditionally, or effectively provide automatic cancellation due to the deterioration of borrower: 10-20% • Commitments, regardless of the underlying facility: 50-75% CCF

## 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)

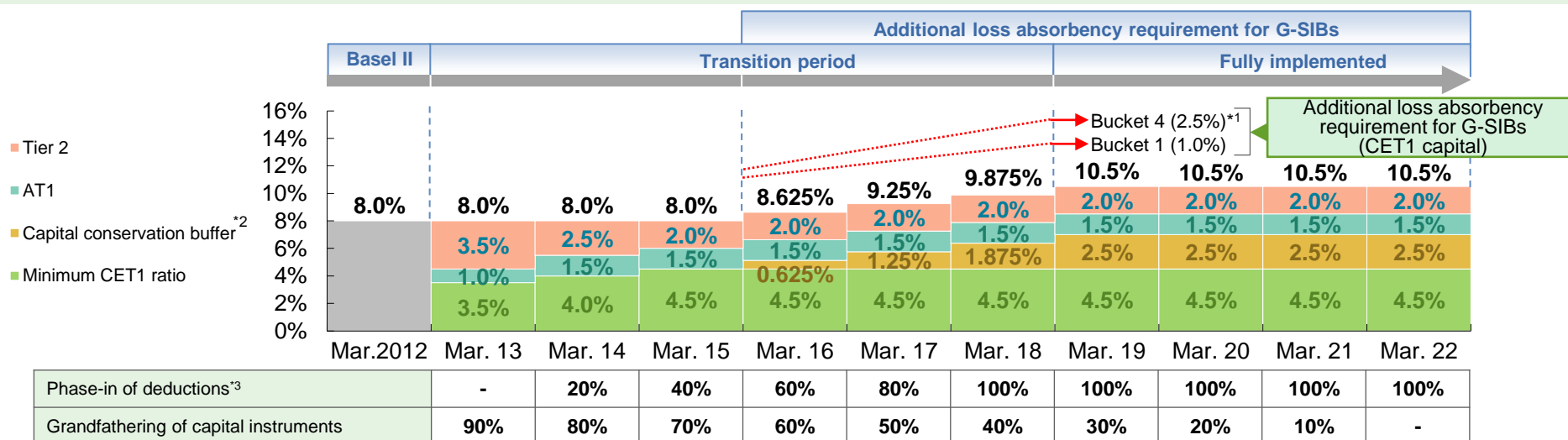
- If (i) is less than (ii), the bank should add the amount of difference to (i) when calculating its RWA

\* 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

- 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



## 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: Final adjustments to definition and calibration				
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: Final document published Jan. 2018: Full implementation				

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

<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

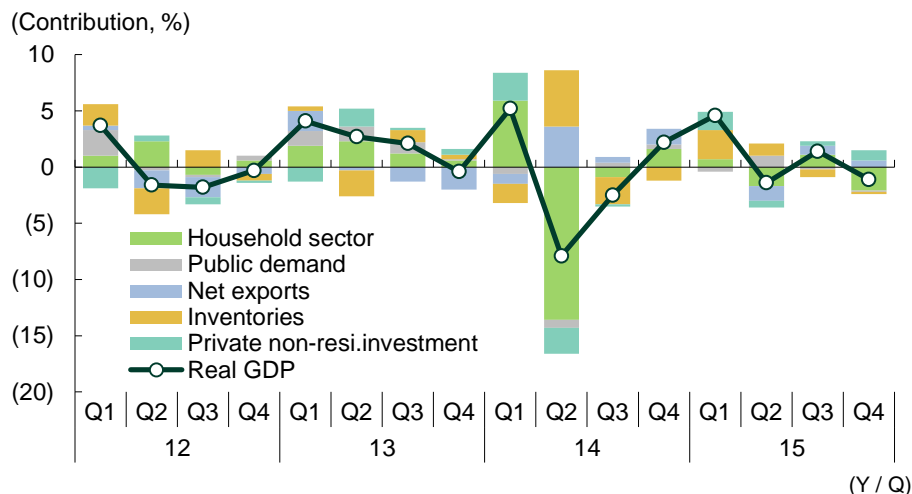
<sup>\*3</sup> Including amounts exceeding limit for deferred tax assets, mortgage servicing rights and investment in capital instruments of unconsolidated financial institutions

<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

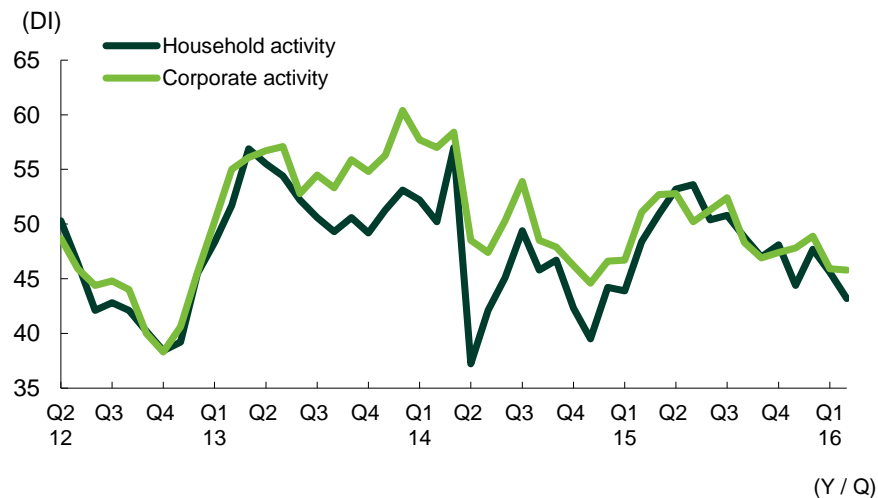


# Current Japanese economy

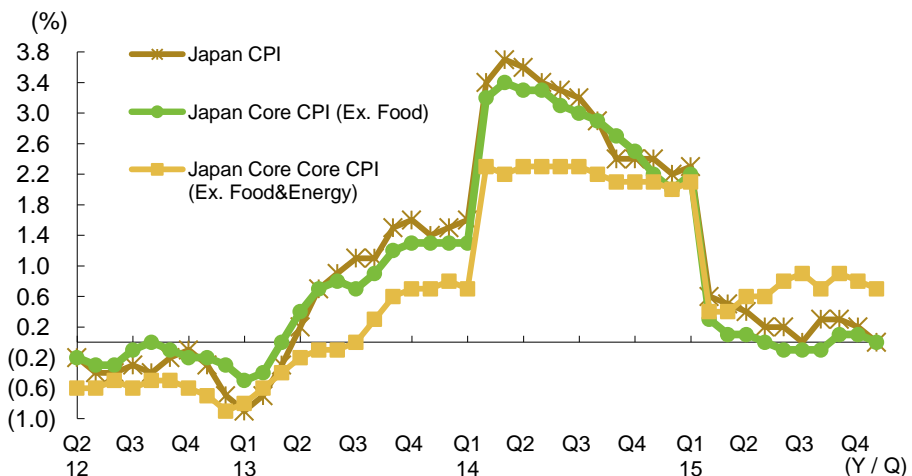
## Real GDP growth rate (annualized QOQ change)\*1



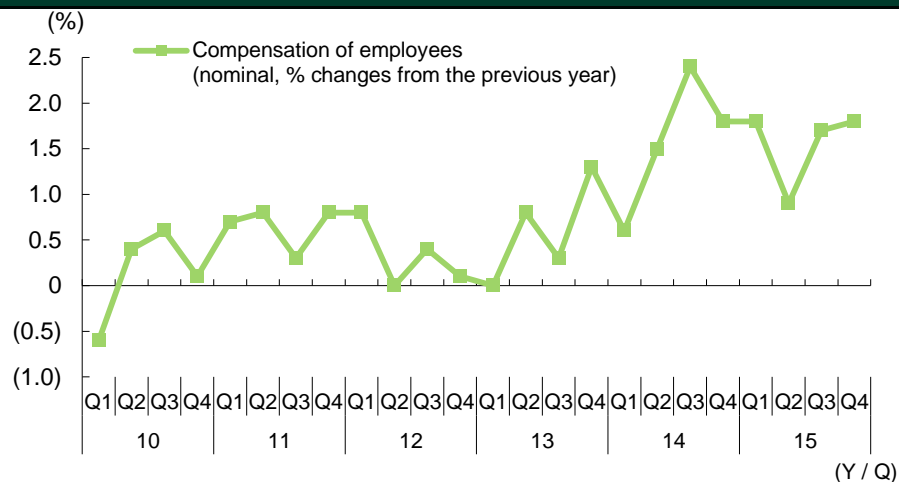
## Economy watchers survey\*2



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



## Compensation of employees\*4



\*1 Source: Cabinet Office. Seasonally adjusted series. Household sector = Private consumption + Private residential investment, Public demand = Government consumption + Public investment, Inventories = Change in private and public inventory

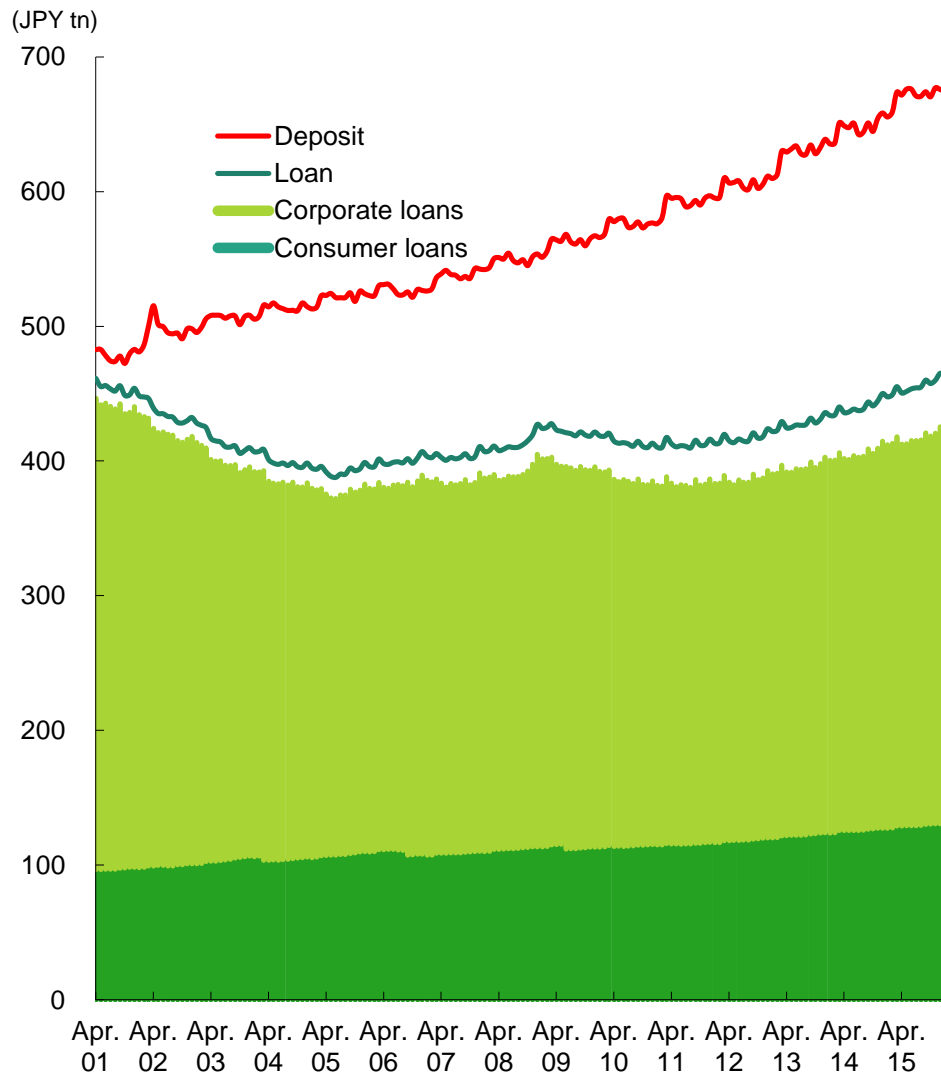
\*2 Source: Cabinet Office. Diffusion index for current economic conditions

\*3 Source: Statistics Bureau & SMBC Nikko. Core CPI: All items, less fresh foods. Core Core CPI: All item, less food (less alcoholic beverages) and energy

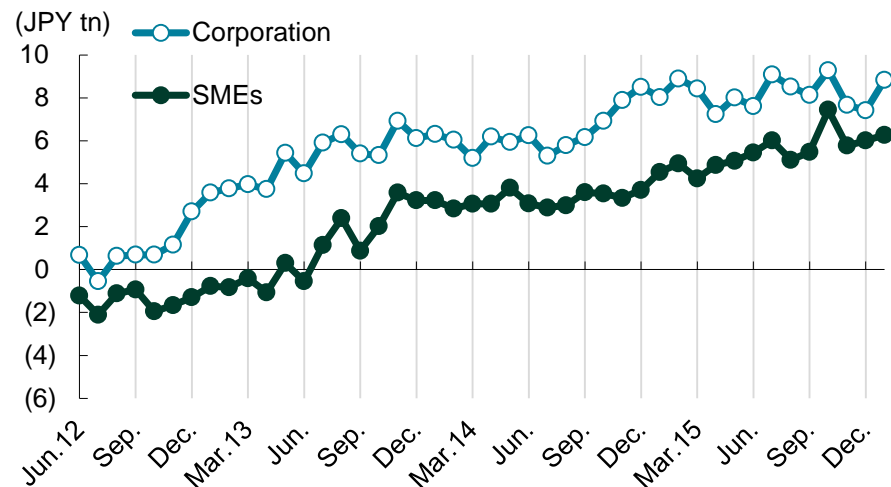
\*4 Source: Cabinet Office

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

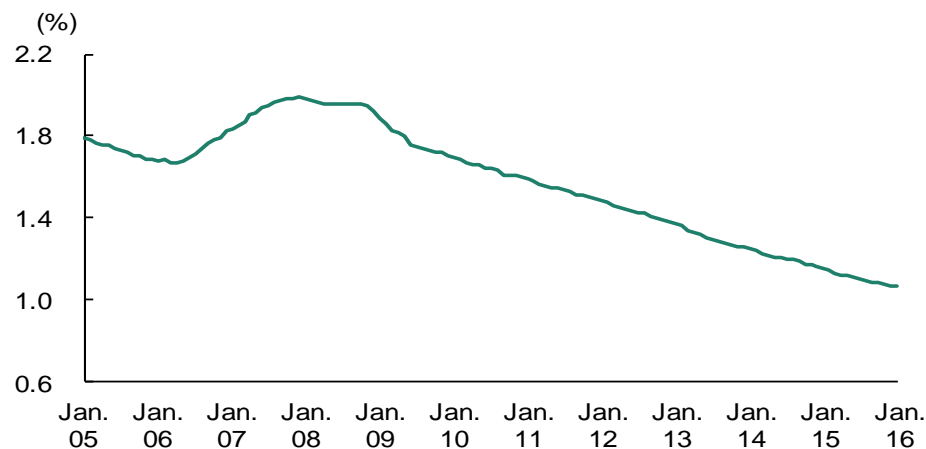
## Loan and deposit balance of domestic banks



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



## Average loan spread of domestic banks\*3



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

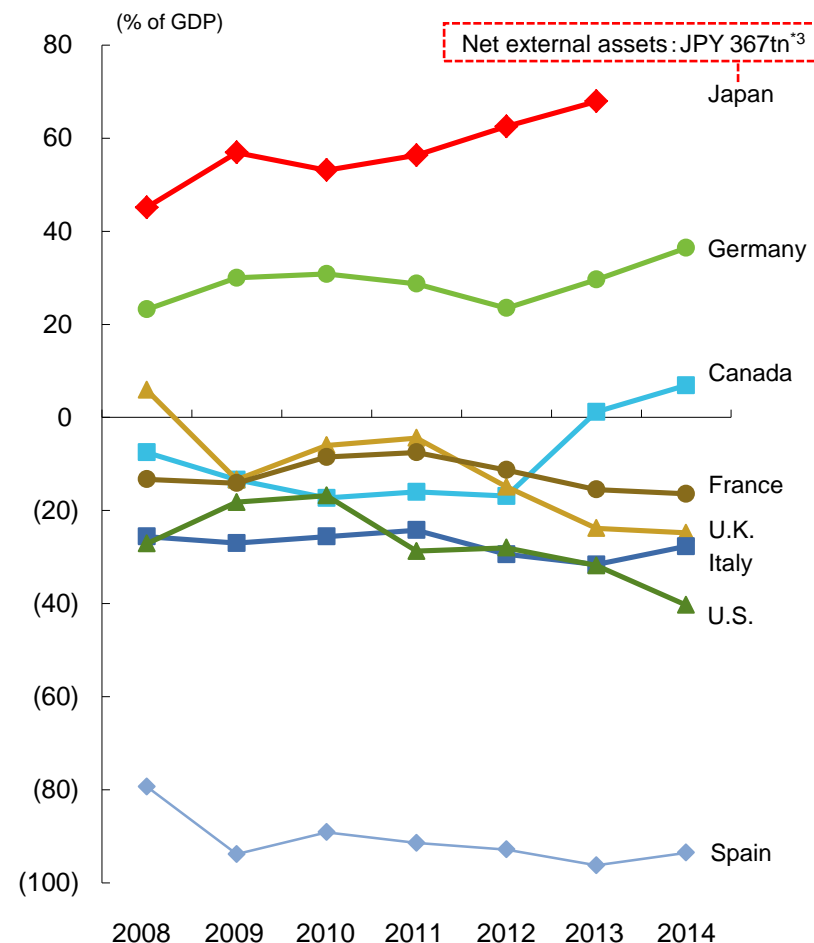
\*2 Period end balance \*3 Stock basis

# Japanese national wealth

Balance sheet of Japan (as of Dec. 2014, JPY tn)\*<sup>1</sup>

Closing assets		9,684	Closing liabilities plus net worth		9,684
<b>Households</b>		<b>2,727</b>	Households		368
Financial assets		<b>1,696</b>	Non-financial corporations		1,592
Non-financial assets		1,032	Stocks		783
Land		673	Financial corporations		3,374
Non-financial corporations		2,140	To nominal GDP: 247.8%		214
Financial assets		1,119	General government		1,213
Non-financial assets		1,021	Closing liabilities		6,576
Land		270	<b>Net worth</b>		<b>3,109</b>
Financial corporations		3,514	<b>Households</b>		<b>2,359</b>
General government		1,199	Non-financial corporations		548
Financial assets		598	Financial corporations		140
Financial assets		6,943	General government		(14)
Non-financial assets		2,741			

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



\*1 Source: Cabinet Office

\*2 Source: IMF Stat. The figures shown in the graph are: from 2008 to 2013 for Japan and from 2008 to 2014 for the other countries

\*3 Source: Ministry of Finance Japan. As of Dec. 31, 2014