

Fixed Income Investor Presentation

May 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

Overview

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

Financial soundness

- Asset quality
- Reduction of strategic shareholdings
- Capital

Business strategy

- Wholesale business
- Retail business
- International 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

Market capitalization (TSE:8316 NYSE:SMFG)	JPY 4.7 tn / USD 42.8 bn (As of May 13, 2016)
Total assets	JPY 187 tn / USD 1,657 bn
Total capital ratio (Basel III transitional basis)	17.02%
CET1 ratio (Basel III fully-loaded basis)	11.9%
NPL ratio	1.15% (As of Mar. 31, 2016)
Ratings (Moody's / S&P)*2	A1 / A-

SMBC non-consolidated

Total assets	JPY 154 tn / USD 1,364 bn
Loans	JPY 69 tn / USD 615 bn
Deposits*3	JPY 99 tn / USD 878 bn
NPL ratio	0.78% (As of Mar. 31, 2016)
Ratings (Moody's / S&P)*2	A1 / A

Profitability

FY3/2016

SMFG Consolidated	Consolidated gross profit	JPY 2,904 bn / USD 25.8 bn
	Ordinary profit	JPY 985 bn / USD 8.7 bn
	Profit attributable to owners of parent	JPY 647 bn / USD 5.7 bn
SMBC Non-consolidated	Gross banking profit	JPY 1,534 bn / USD 13.6 bn
	Banking profit*4	JPY 729 bn / USD 6.5 bn
	Net income	JPY 609 bn / USD 5.4 bn

SMBC's business franchise

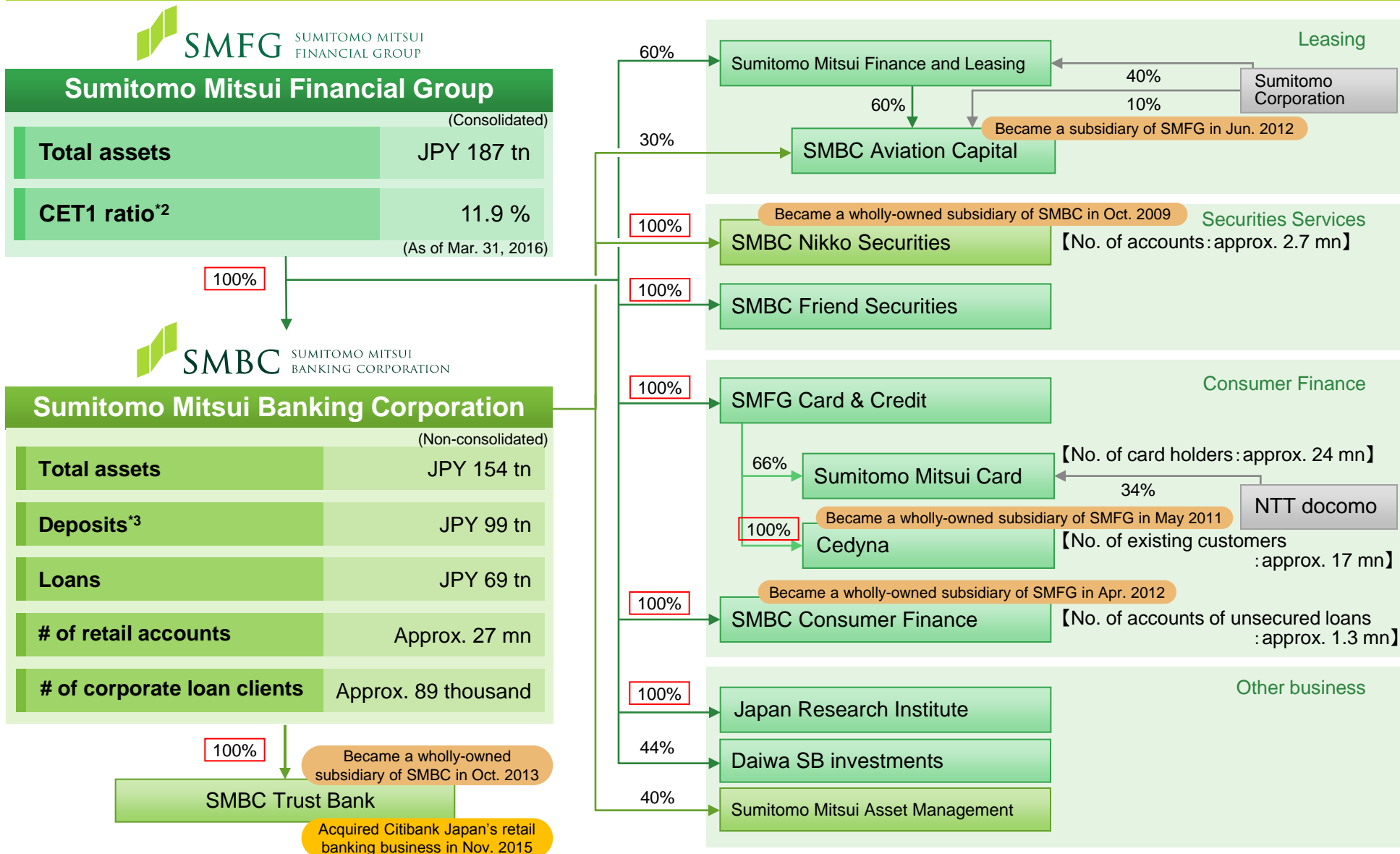
- Core operating entity within the SMFG franchise
- Heritage dating back more than 400 years
- **Approx. 27 million** retail customer deposit accounts
- **Approx. 89 thousand** domestic corporate loan clients
- **440** domestic branches
- **Over 70** overseas franchises*5

(As of Mar. 31, 2016)

*1 Exchange rate for as of Mar. 31, 2016 is USD 1.00 = JPY 112.62 and May 13, 2016 is USD 1.00 = JPY 108.92

*2 Senior unsecured ratings as of May 13, 2016 *3 Excludes negotiable certificates of deposits

*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



*2 Basel III fully-loaded basis

*3 Excludes negotiable certificates of deposits

Financial results of FY3/2015 and FY3/2016

Income statement

		(JPY bn)	FY3/2015	FY3/2016	YOY change
SMFG consolidated	Consolidated gross profit		2,980.4	2,904.0	(76.4)
	General and administrative expenses		(1,659.3)	(1,724.8)	(65.5)
	Equity in gains (losses) of affiliates		(10.6)	(36.2)	(25.6)
	Consolidated net business profit		1,310.5	1,142.9	(167.5)
	Total credit cost		(7.8)	(102.8)	(95.0)
	Gains (losses) on stocks		66.7	69.0	+2.3
	Other income (expenses)		(48.2)	(123.9)	(75.7)
	Ordinary profit		1,321.2	985.3	(335.9)
	Profit attributable to owners of parent		753.6	646.7	(106.9)
	Variance with SMBC non-consolidated		110.6	37.5	(73.1)
SMBC non-consolidated	Gross banking profit		1,634.3	1,534.3	(100.0)
	Expenses*1		(791.2)	(805.5)	(14.3)
	Banking profit*2		843.1	728.8	(114.3)
	Total credit cost		80.1	3.2	(76.9)
	Ordinary profit		956.0	747.9	(208.1)
	Net income		643.0	609.2	(33.8)

Contribution of subsidiaries to SMFG's net income

	(JPY bn)	FY3/2016	YOY change
SMBC Nikko Securities		37	(27)
Sumitomo Mitsui Finance and Leasing		27	(0)
Sumitomo Mitsui Card		17	+0
Cedyna		9	+11
SMBC Friend Securities		3	(4)
SMBC Consumer Finance		(65)	(76)
The Bank of East Asia*3		14	+14
An impairment loss on goodwill of investments in BTPN			
Provisions for losses on interest repayments at consumer finance subsidiaries			
Decrease in domestic loan to deposit spreads, yen appreciation, etc.			

*1 Excludes non-recurring losses

*2 Before provisions for general reserve for possible loan losses

*3 The Bank of East Asia became an equity-method affiliate of SMBC in Mar. 2015

■ SMFG's consolidated balance sheet and loan balance

Balance sheet (as of Mar. 31, 2016)

Total assets : JPY 186.6 tn

Cash and due from banks
JPY 42.8 tn

Loans
JPY 75.1 tn

Securities
JPY 25.3 tn

JGB
JPY 10.3 tn

Other assets
JPY 43.4 tn

Deposits,
negotiable
certificates
of deposits (NCD)
JPY 124.9 tn

Other liabilities
JPY 51.3 tn

Total net assets
JPY 10.4 tn

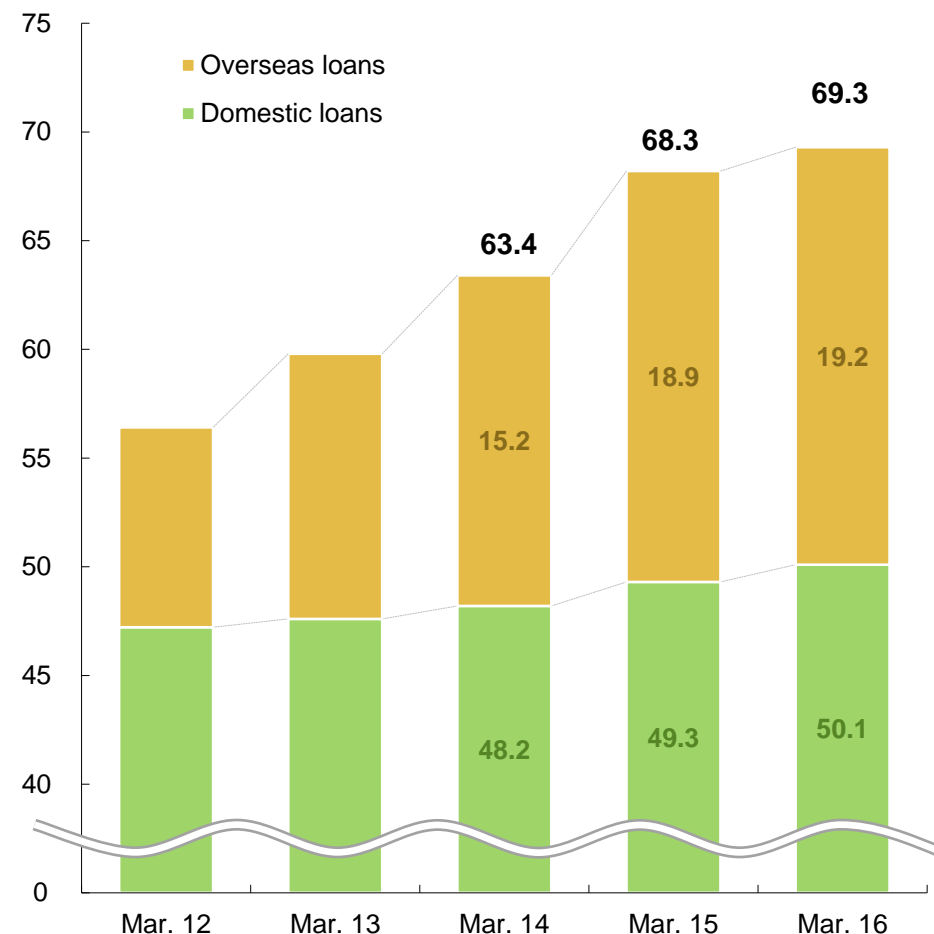
Total stockholders' equity
JPY 7.5 tn

Loan to deposit ratio	60.1%
Risk-weighted assets	JPY 66.0 tn
ROE (Denominator: Total stockholders' equity)	8.9%

Loan balance

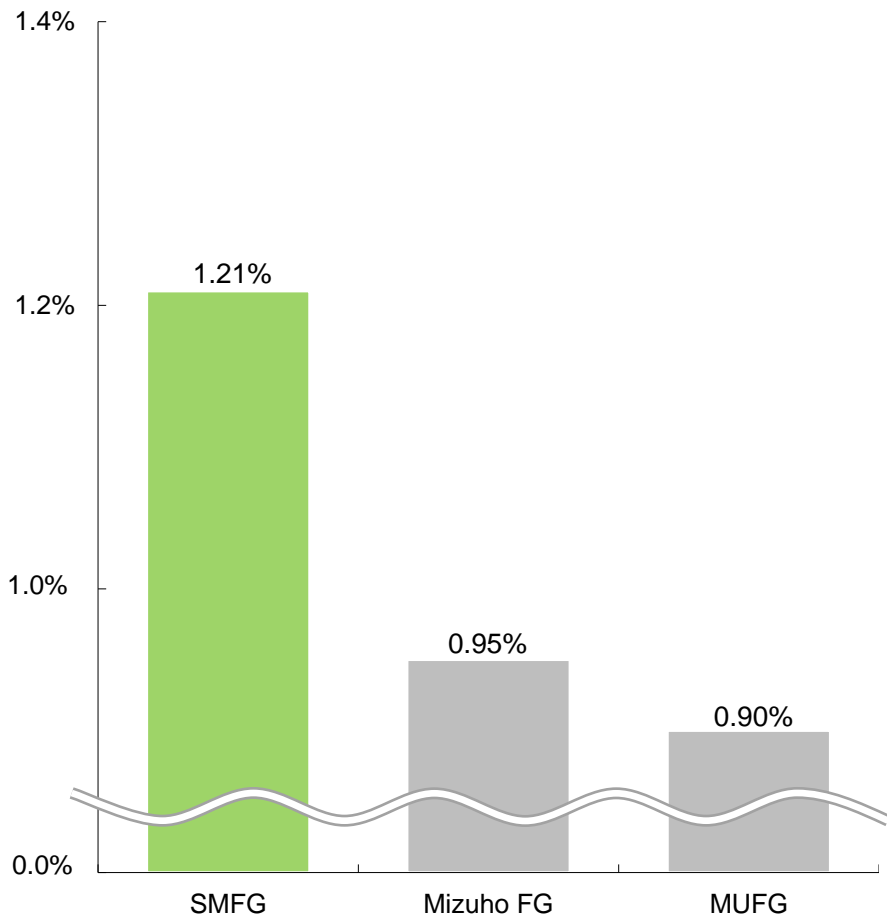
(JPY tn)

(SMBC non-consolidated)

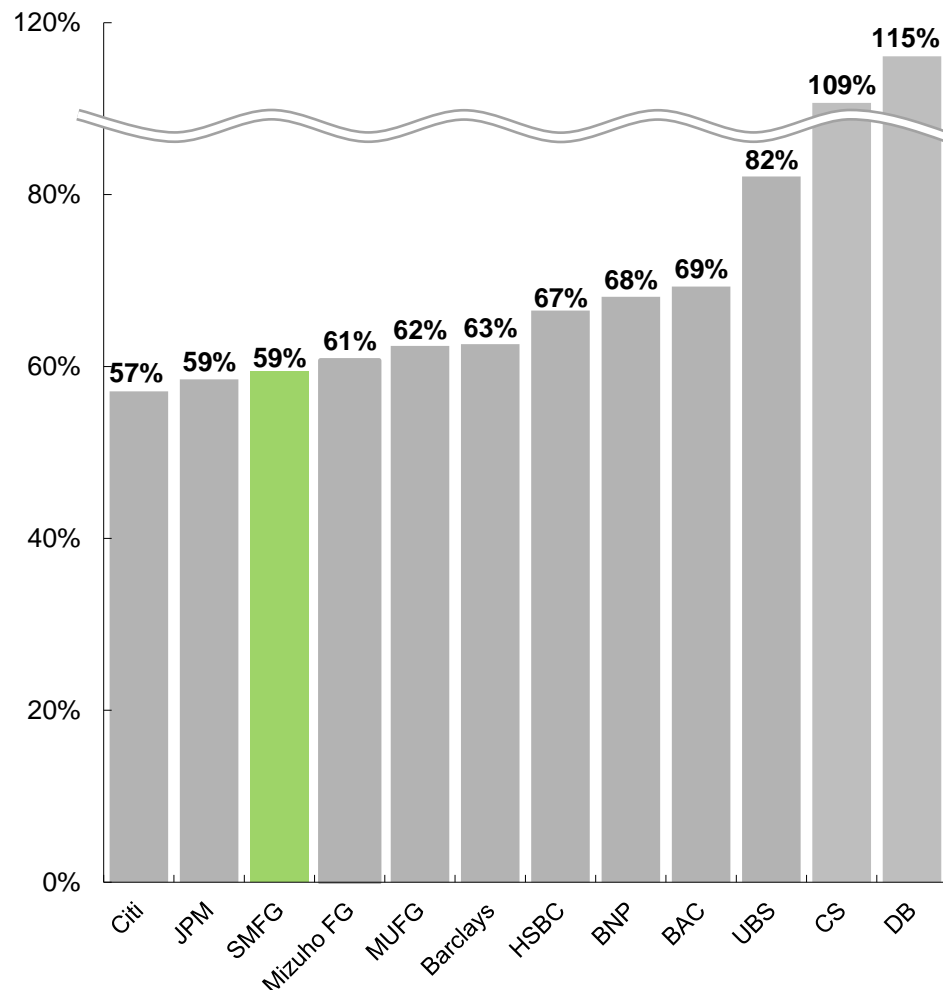


Sources of profitability

Domestic loan-to-deposit spread*¹



Overhead ratio*²



*¹ Based on each company's 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

*² Based on each company's disclosure on a consolidated basis. G&A expenses divided by top-line profit (net of insurance claims). FY3/16 results for SMFG, MUFG and Mizuho FG, FY12/15 results for the others

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Financial soundness

- Asset quality
- Reduction of strategic shareholdings
- Capital

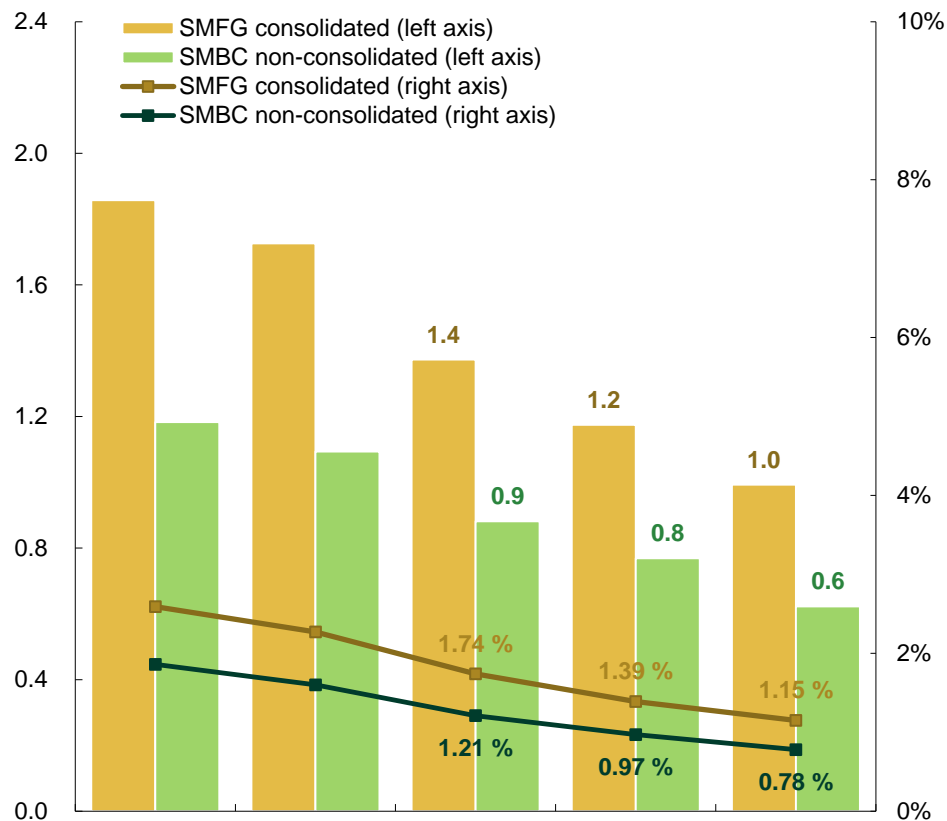
Business strategy

- Wholesale business
- Retail business
- International business

Asset quality – solid loan portfolio

NPLs and NPL ratio*1

(JPY tn)



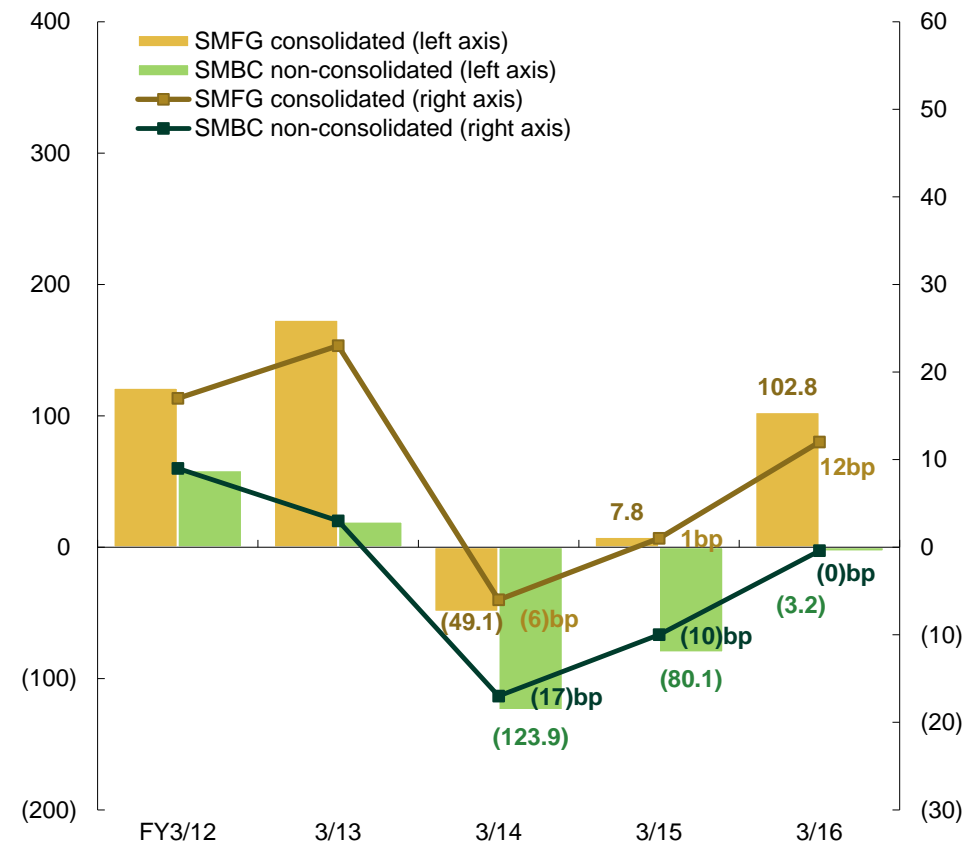
Coverage ratio³

SMFG consolidated	83.14%	81.34%
SMBC non-consolidated	87.67%	88.32%

Total credit cost and total credit cost ratio*2

(JPY bn)

(bp)

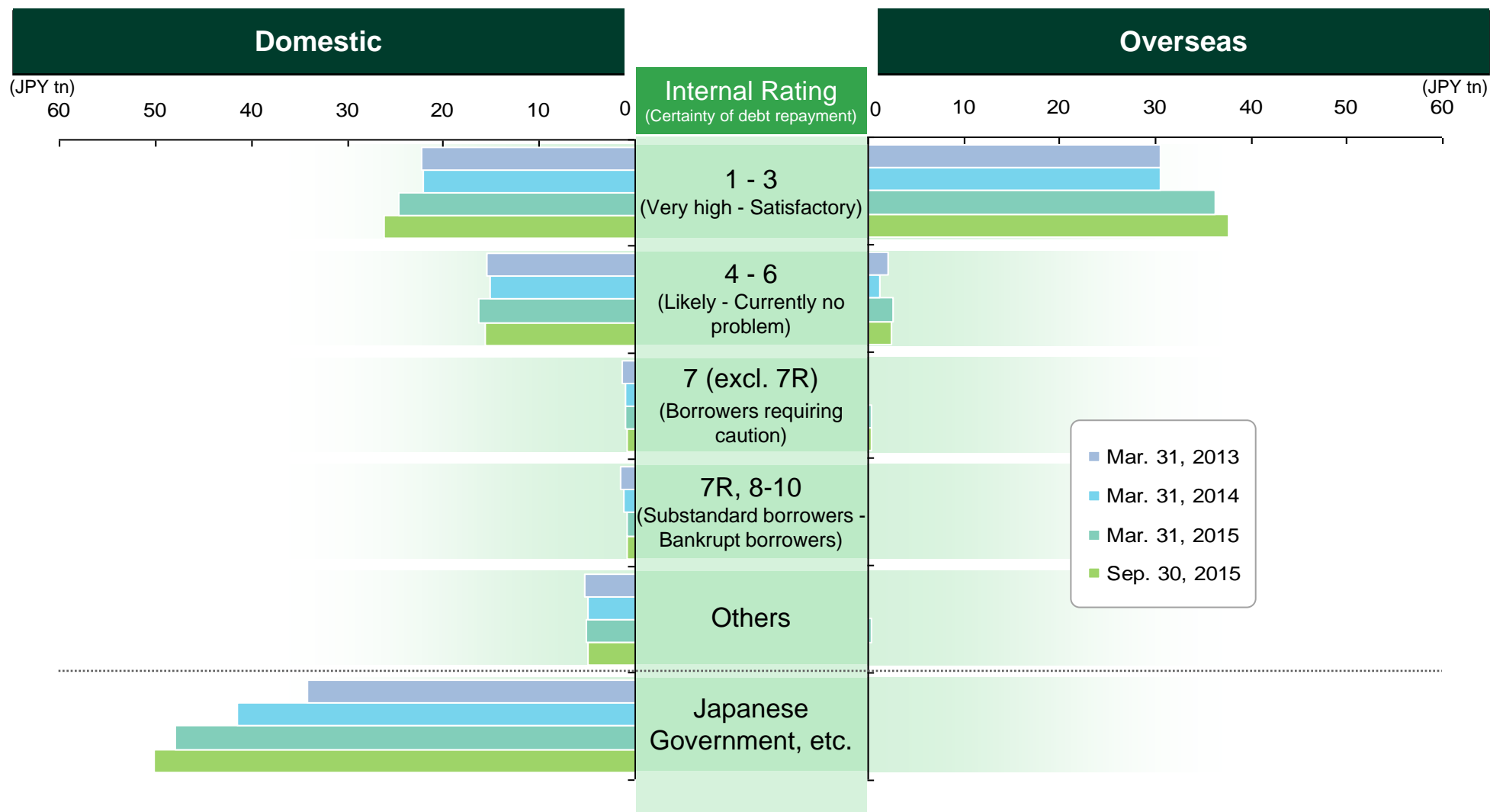


*1 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

*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*



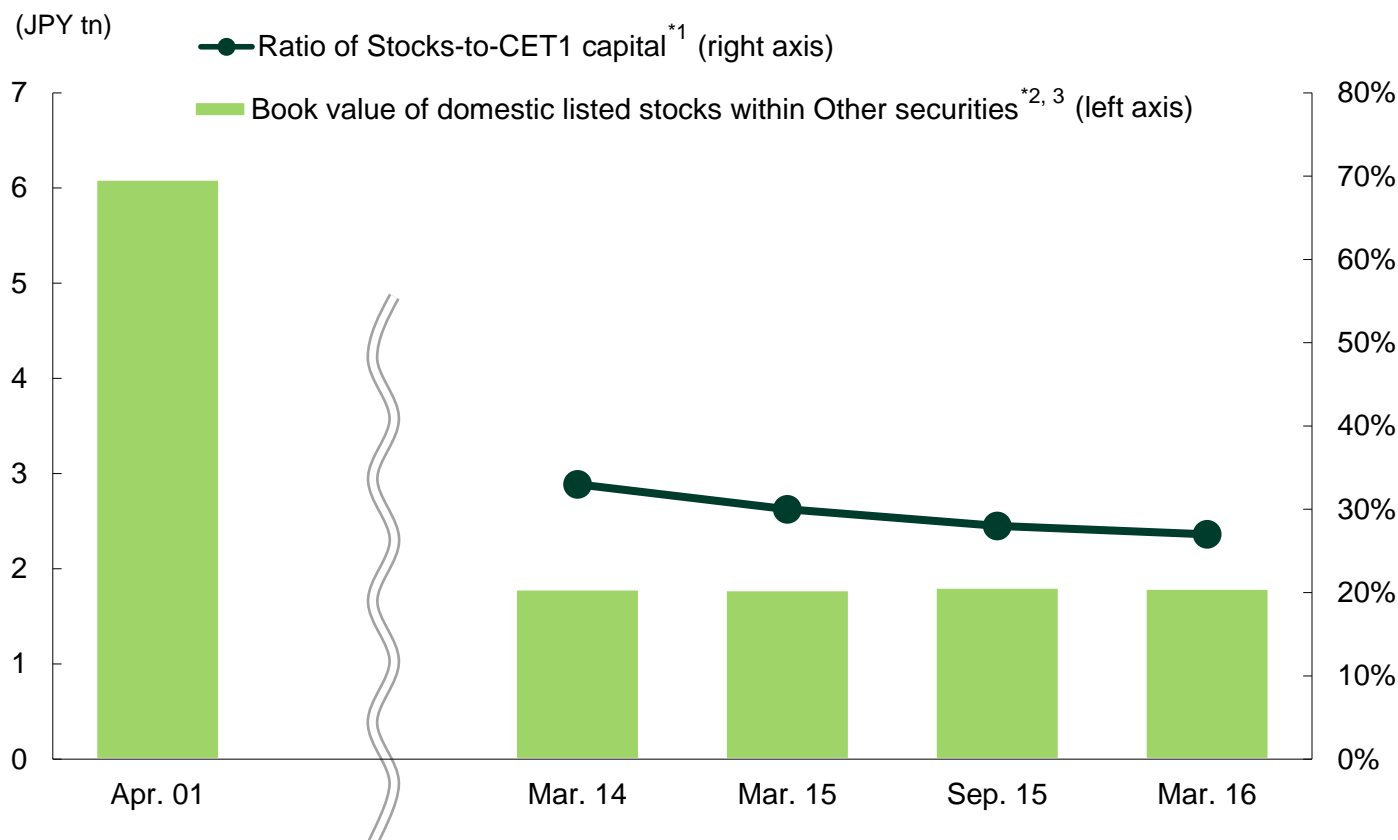
(SMFG consolidated)

* 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

■ 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)



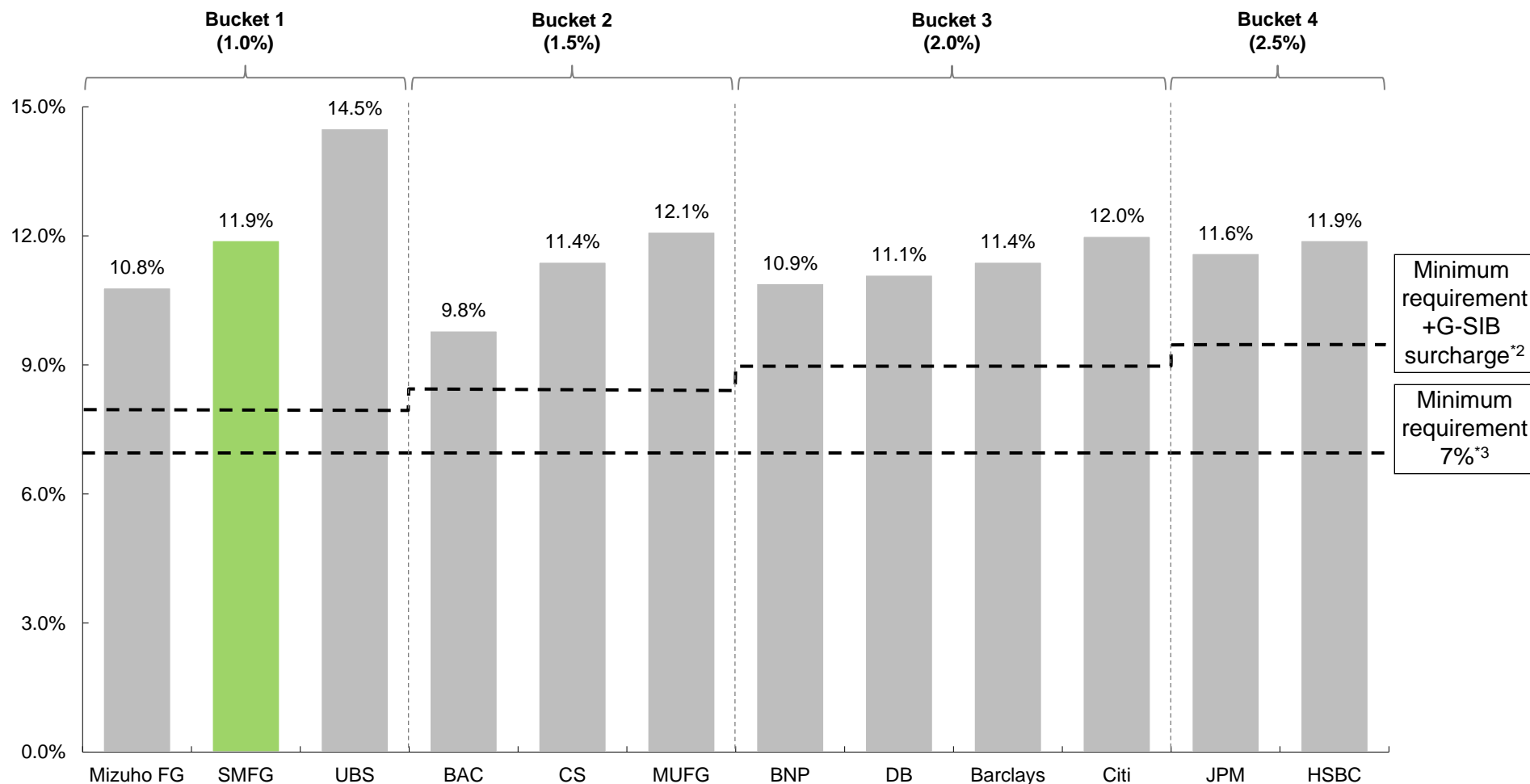
*1 Book value of domestic listed stocks / CET1 (Basel III fully-loaded basis, excluding net unrealized gains on Other securities)

*2 SMBC consolidated basis until Mar. 2002

*3 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. FY3/16 results for SMFG, MUFG and Mizuho FG, and FY12/15 results for the others.

The ratio for Mizuho FG includes Eleventh Series Class XI Preferred Stock of JPY 98.9 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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Wholesale business

Enhance capability to support clients

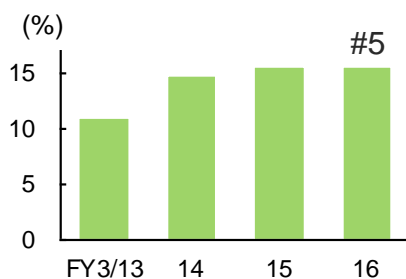
- Offer high value-added loans, such as supporting MBO/LBO activities for business restructuring and business succession
- Further promote bank-securities collaboration
- Enhance global service capabilities

SMBC Nikko's market share for underwriting

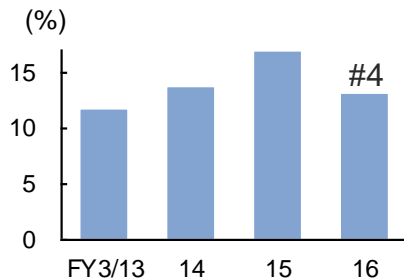
Japan IPO^{*1}

- Lead manager, No. of deals: #2 (FY3/2016)

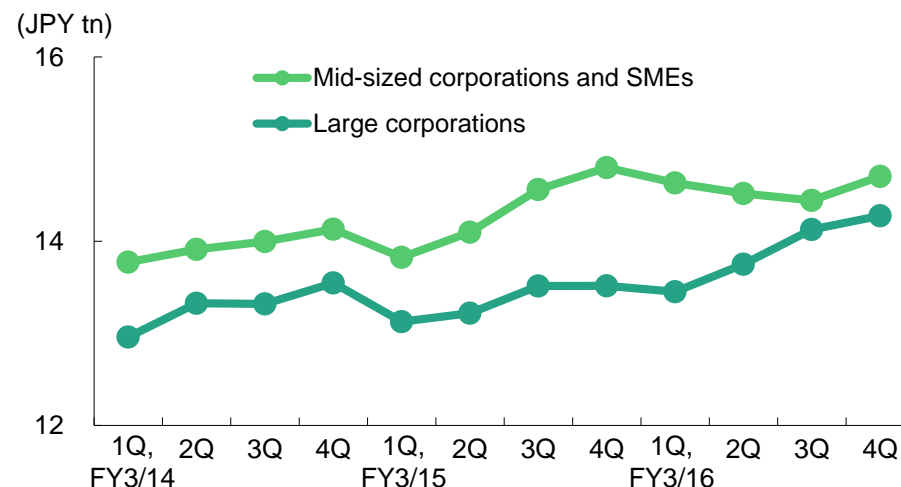
Bonds^{*2, 3}



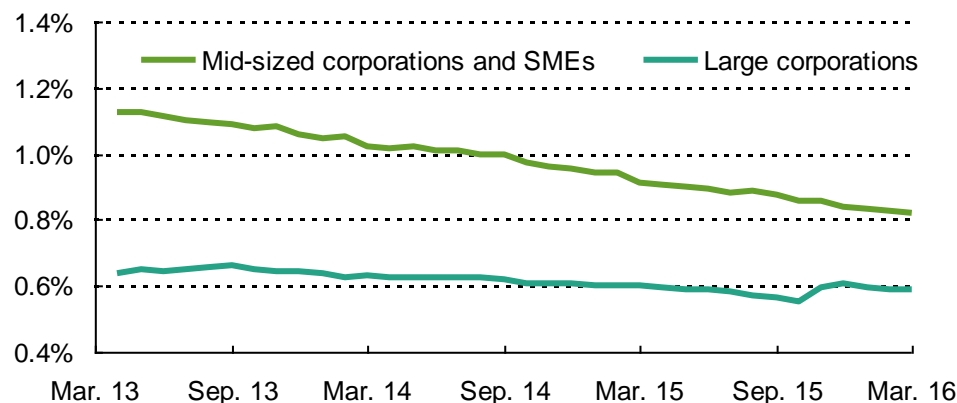
Equities^{*2, 4}



Loan balance of Wholesale Banking Unit^{*5, 6}



Domestic corporate loan spread^{*5, 7}



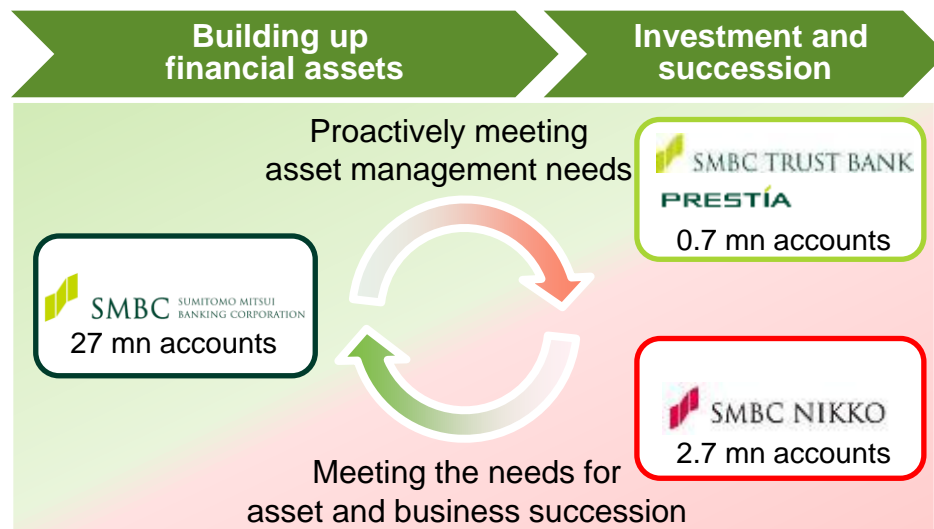
^{*1} Excludes REIT IPO. Source: Thomson Reuters ^{*2} Source: SMBC Nikko, based on data from Thomson Reuters

^{*3} JPY denominated bonds. Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds

^{*4} Japanese corporate related only, includes overseas offices ^{*5} Managerial accounting basis. We revised managerial accounting rules since Apr. 2014, following revision of domestic business structure. Figures for FY3/14 were recalculated based on the new rules ^{*6} Quarterly average ^{*7} Monthly average loan spread of existing loans

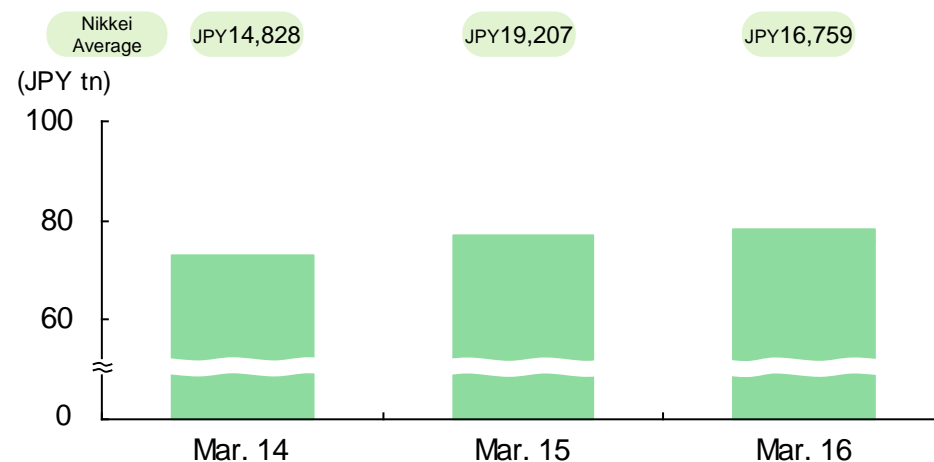
Retail business

Bank securities retail integration



Bank-securities collaboration (retail customers)

Retail AuM (SMBC+SMBC Nikko+SMBC Trust Bank PRESTIA)

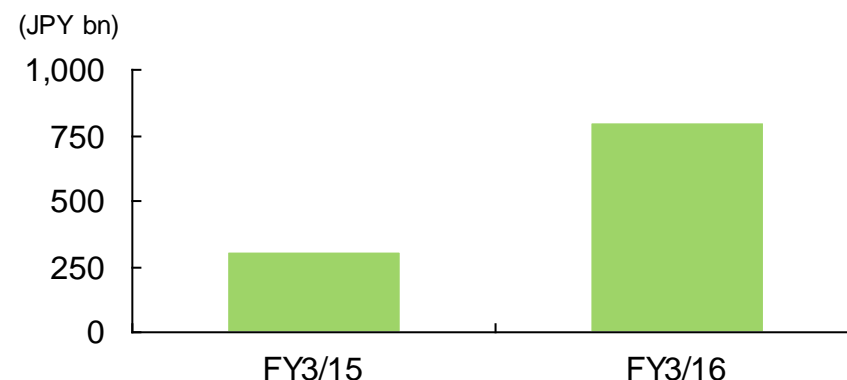


Acquisition of Citibank Japan's retail banking business

- SMBC Trust Bank promoted collaboration with group companies
 - Began referral of financial instruments intermediary services with SMBC Nikko Securities
 - Set-up PRESTIA's ATM at SMBC branch offices

PRESTIA

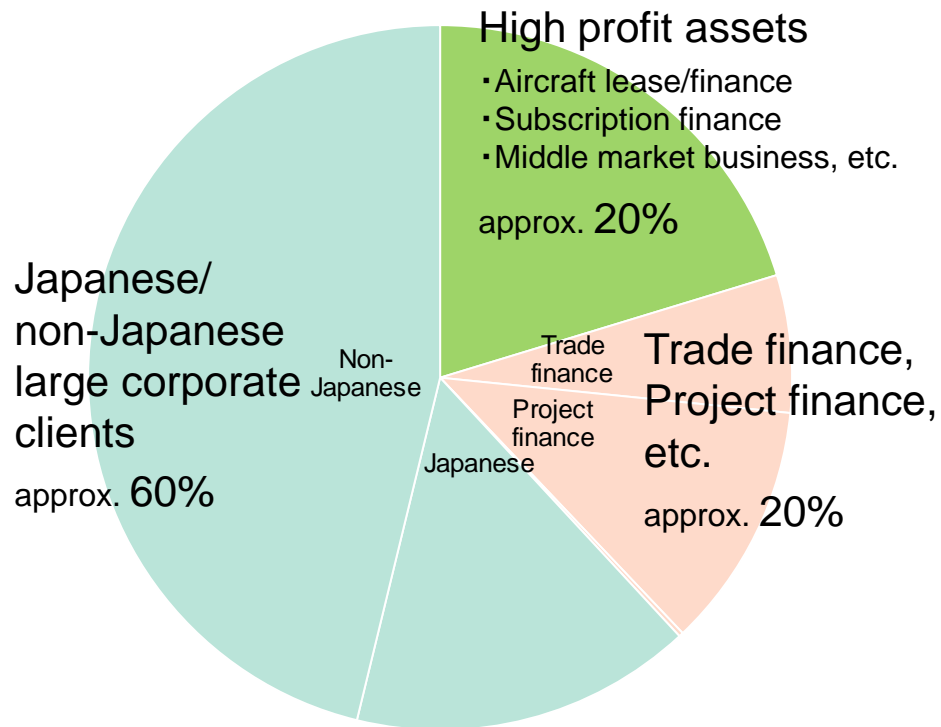
Increase balance of investment products (excludes changing market value, SMBC+SMBC Nikko)*



* Sum of the net volume of product sales and cancel / redemption at SMBC and the inflow of assets (includes referrals from SMBC) at SMBC Nikko

International business – evolving business model

International Banking Unit's portfolio (as of Mar. 31, 2016)



Promoting cross-selling

- Enhancing business with core western clients
 - SMBC Nikko acted as an active book runner in multiple fixed income deals for major western companies
- Transactions connecting Japanese and non-Japanese corporations
- “Domestic-international integration” model

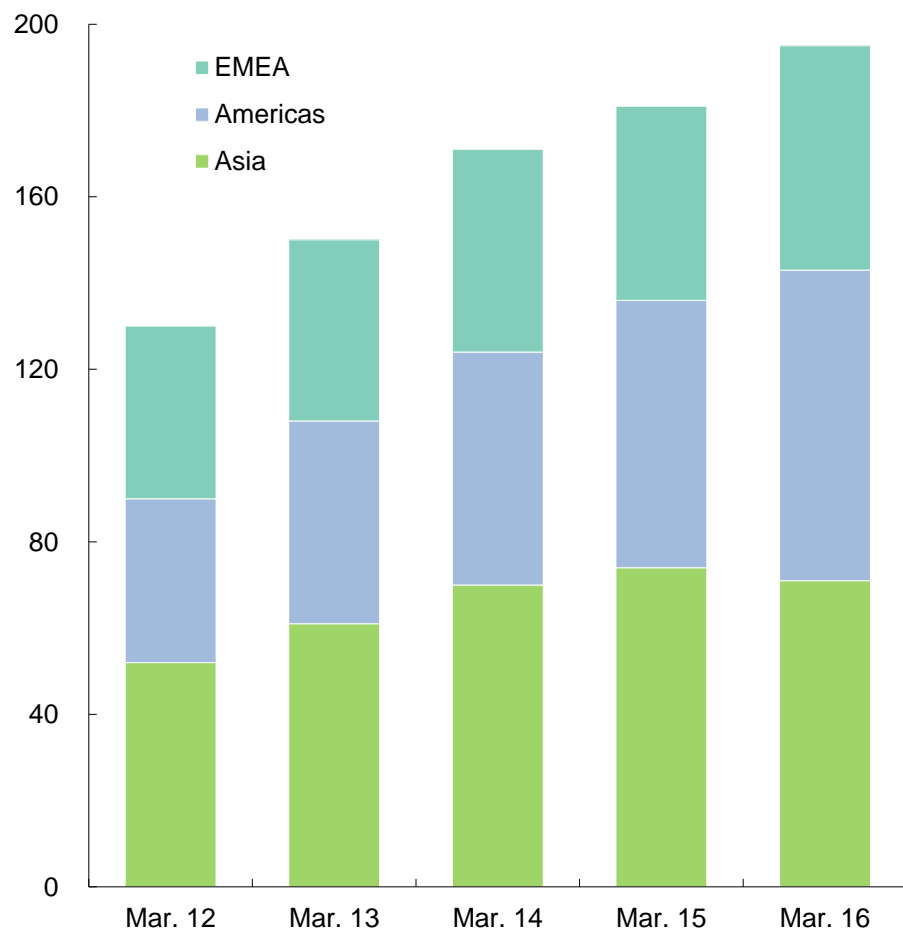
Nimble portfolio management

- Establishment of Global portfolio strategy Dept.
- Expanding high profit assets
 - Acquired European loan portfolio from GE
- Promoting O&D (Origination & Distribution)

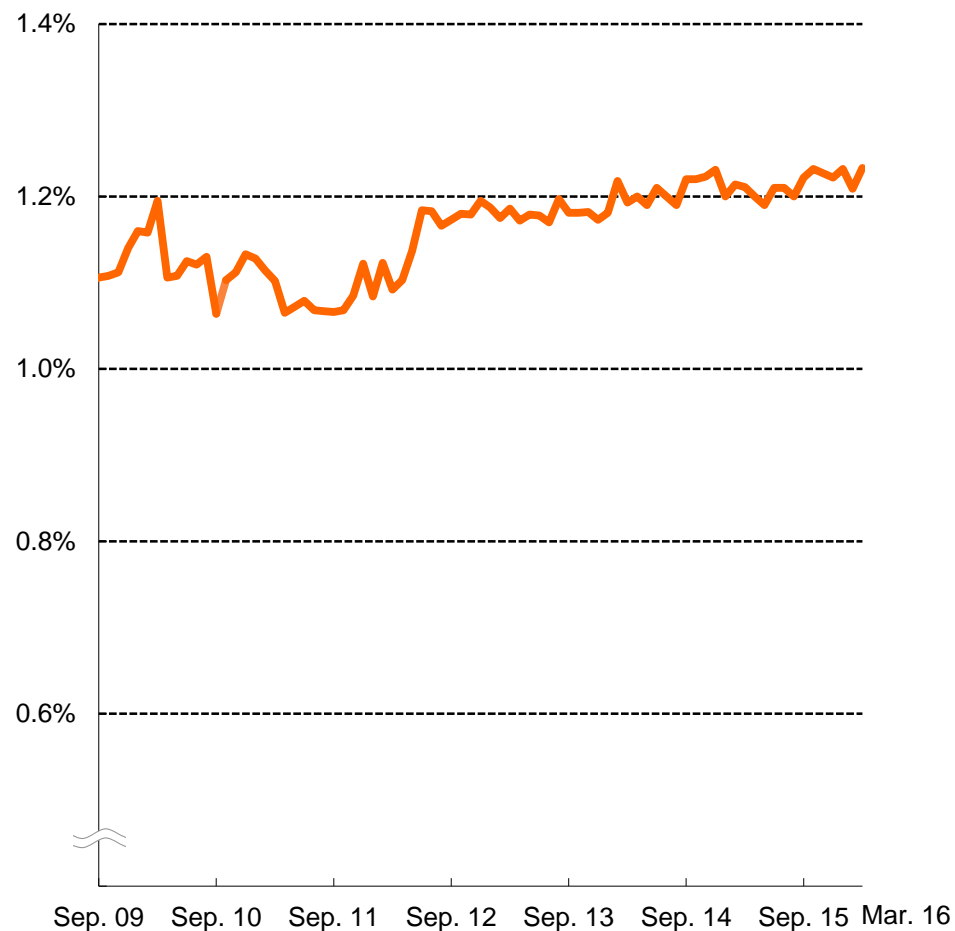
International business – overseas loans

Balance^{*1, *2}

(USD bn)



Spread^{*3, *4}



*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)

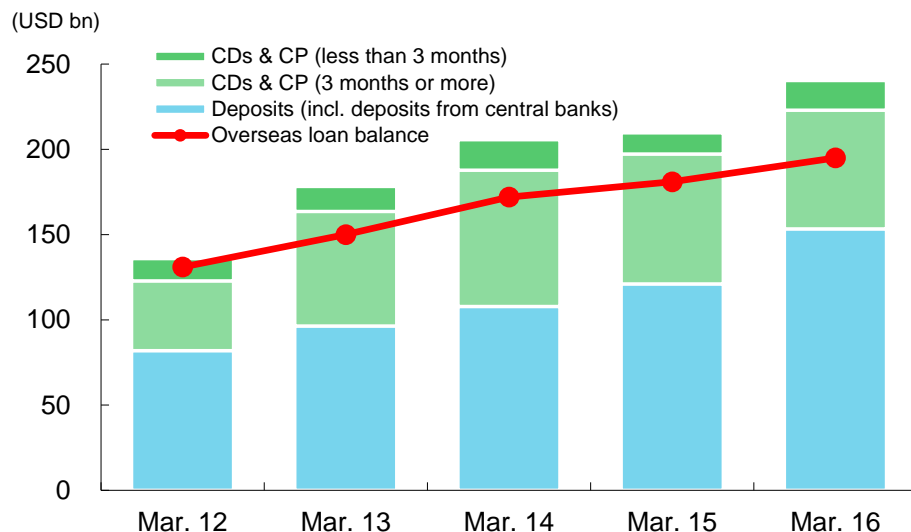
*3 Managerial accounting basis. Average loan spread of existing loans on a monthly basis

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

International business –

SMBC / SMFG foreign currency funding

SMBC overseas deposit & loan balance*1



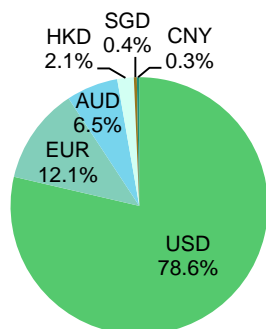
Foreign currency funding by region

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 (JPY 1,500 bn equivalent) RegS
Europe (USD/EUR/GBP)	Euro CP Programme (EUR 10 bn) Euro CD
US (USD)	US Domestic CP Programme (USD 15 bn) US Domestic CD
Australia (USD/AUD)	Debt Issuance Programme (USD 8 bn) Australian Domestic CD
Hong Kong (HKD)	CD Programme (HKD 15 bn)
Singapore (SGD)	CD Programme (SGD 5 bn)

SMBC / SMFG long-term capital markets funding*2

(Outstanding amount)

Total: USD 39.8 bn



Outstanding amount		
USD	31.3 bn	--
EUR	4.3 bn	= USD 4.8 bn
AUD	3.6 bn	= USD 2.6 bn
HKD	6.4 bn	= USD 0.8 bn
SGD	0.2 bn	= USD 0.1 bn
CNY	0.8 bn	= USD 0.1 bn

Recent deals (Senior unsecured)

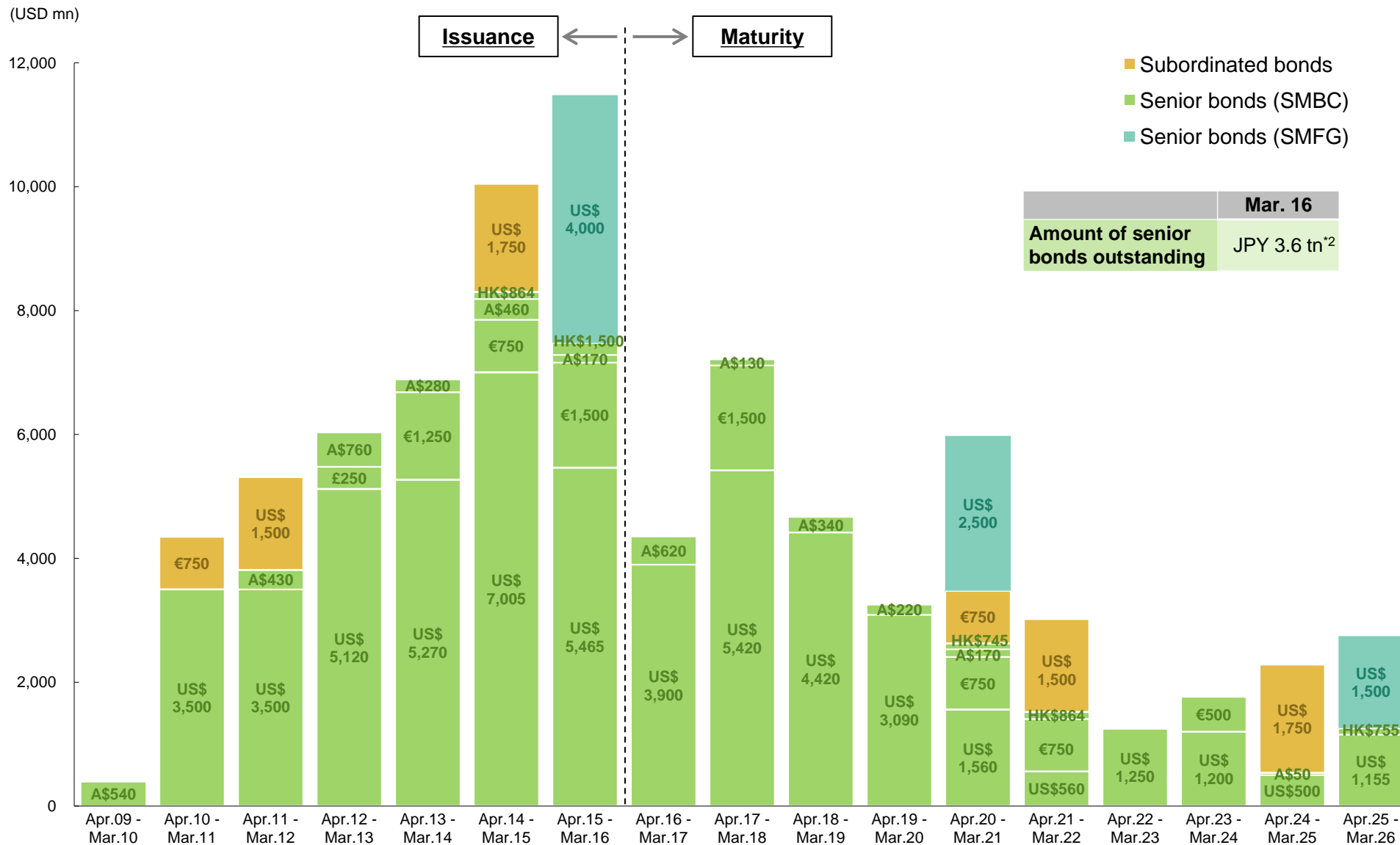
- Mar. 9, 2016 / SMFG / USD / 4.0bn / 5y FIX at 2.934%, 5y FRN at 3ML+168bp, 10y FIX at 3.784%
- Jan. 19, 2016 / SMBC / USD / 1.25bn / 3y FIX at 2.05%, 3y FRN at 3ML+94bp
- Oct. 20, 2015 / SMBC / USD / 500mn / 5y FIX at 2.45% / Green Bonds
- Sep. 8, 2015 / SMBC / EUR / 1.5bn (includes re-opening 500mn 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 May 13, 2016, issue date basis. Translated into USD at the exchange rates as of May 13, 2016

International business –

■ SMBC / SMFG capital markets funding profile*1



*1 Excludes JPY funding, certificate of deposits and transferable deposits. For the callable bonds, 1st call dates are regarded as their maturity dates. Issuance with original maturity of two years or more as of May 13, 2016, issue date basis. Translated into USD at the exchange rate as of May 13, 2016

*2 SMBC non-consolidated, including JPY denominated bonds

Appendix

■ Capital and risk-weighted assets, SMFG consolidated

Capital ratio (transitional basis)

		(JPY bn)	Mar. 31, 2015	Mar. 31, 2016 <i>Preliminary</i>
	CET1		7,476.5	7,796.5
	of which:	Total stockholders' equity related to common stock	6,909.0	7,351.8
		Accumulated other comprehensive income ^{*1}	801.5	875.7
		Regulatory adjustments related to CET1 ^{*1}	(460.4)	(646.4)
Tier 1 capital			8,528.6	9,031.7
of which:	AT1 capital instruments		-	300.0
	Eligible Tier 1 capital instruments (grandfathered) ^{*3}		1,124.3	962.0
	Regulatory adjustments ^{*1, *2}		(348.2)	(244.9)
Tier 2 capital			2,437.3	2,204.3
of which:	Tier 2 capital instruments		375.0	655.1
	Eligible Tier 2 capital instruments (grandfathered) ^{*3}		1,424.0	1,220.6
	Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount ^{*2}		699.4	345.7
	Regulatory adjustments ^{*1, *2}		(165.2)	(137.1)
Total capital			10,965.9	11,235.9
Risk-weighted assets			66,136.8	66,011.6
CET1 ratio			11.30%	11.81%
Tier 1 ratio			12.89%	13.68%
Total capital ratio			16.58%	17.02%

*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 below indicate the treatment as of Mar. 31, 2015 / Mar. 31, 2016

*1 40% / 60% of the original amounts are included *2 40% / 60% phase-out is reflected in the figures *3 Cap is 70% / 60%

Financial highlights – IFRS*

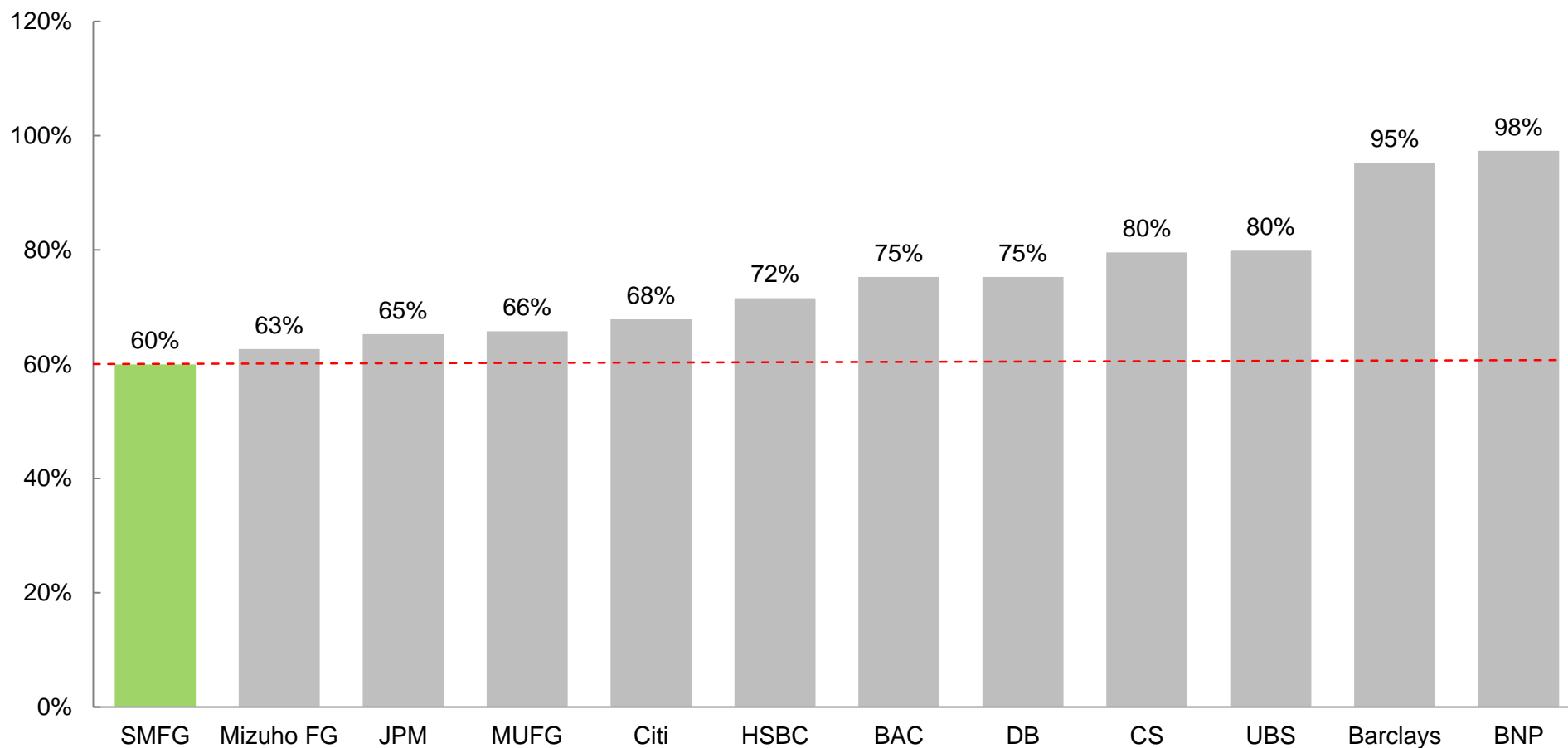
Income statement data			
(JPY bn)		FY3/2015	1H, FY3/2016
	Net interest income	1,411.5	711.0
	Net Fee and commission income	873.5	437.9
	Net Trading income	127.8	163.0
	Other operating income	919.6	427.3
Total operating income		3,332.4	1,739.1
Net operating income		3,242.3	1,671.8
Profit before tax		1,132.9	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 consolidated basis as of Mar. 31, 2016. The others are on a consolidated basis as of Dec. 31, 2015

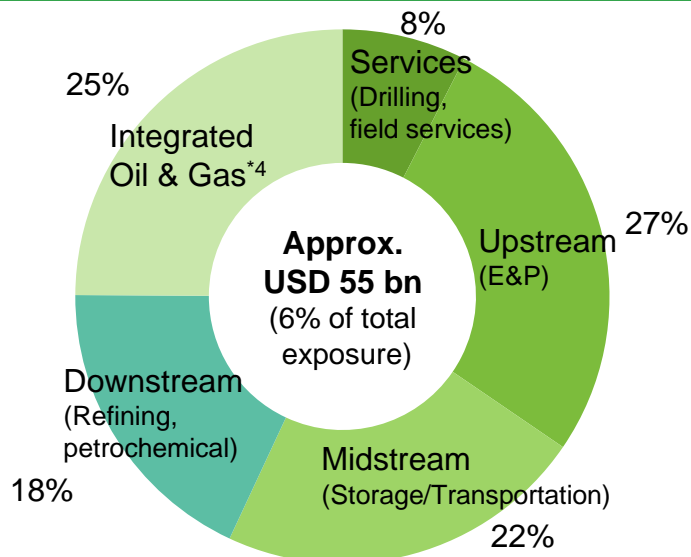
Obligor grading system

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

■ Exposure to oil and gas / other resources related industries

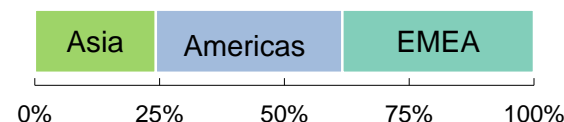
Exposure to oil and gas / other resources related industries*¹ (as of Mar. 2016)

Sub-sectors of Non-Japanese oil and gas related industries*²



- 87% is classified as "1-3"*³ in our internal rating
- NPLs to drawn amount: 1.0%
- Corporate finance 70%
Project finance 30%
- Drawn amount: around 55% of total exposure

● By Region



Exposure to Japanese oil and gas related industries

- Around JPY 2.5 tn, 2% of total exposure
 - Midstream and downstream including oil distributors and petrochemical companies account for more than 90%
- Corporate finance 100%

Exposure to other resources related industries

- Exposure to other resources related industries including iron ore and coal is around JPY 2.4 tn, 2% of total exposure
- Japanese : Non-Japanese = 1 : 1 Japanese: Corporate finance 100%, Non-Japanese: Corporate finance 85%, Project finance 15%
- 80% of Non-Japanese is classified as "1-3"*³ in our internal rating

*¹ Loans, commitment lines, guarantees, investments, etc., *² Sum of SMBC, SMBC Europe and SMBC (China)

*³ Certainty of debt repayment is in the range of Very high - Satisfactory *⁴ Majors, state-owned oil companies, etc.

■ Initiatives for negative interest rate policy

Control deposit balance

- Lowered interest rates
 - Ordinary deposits 0.001% since Feb. 16th
 - Time deposits 0.01% since Mar. 1st
- Initiatives against inflow of large funds from corporations (especially financial institutions)

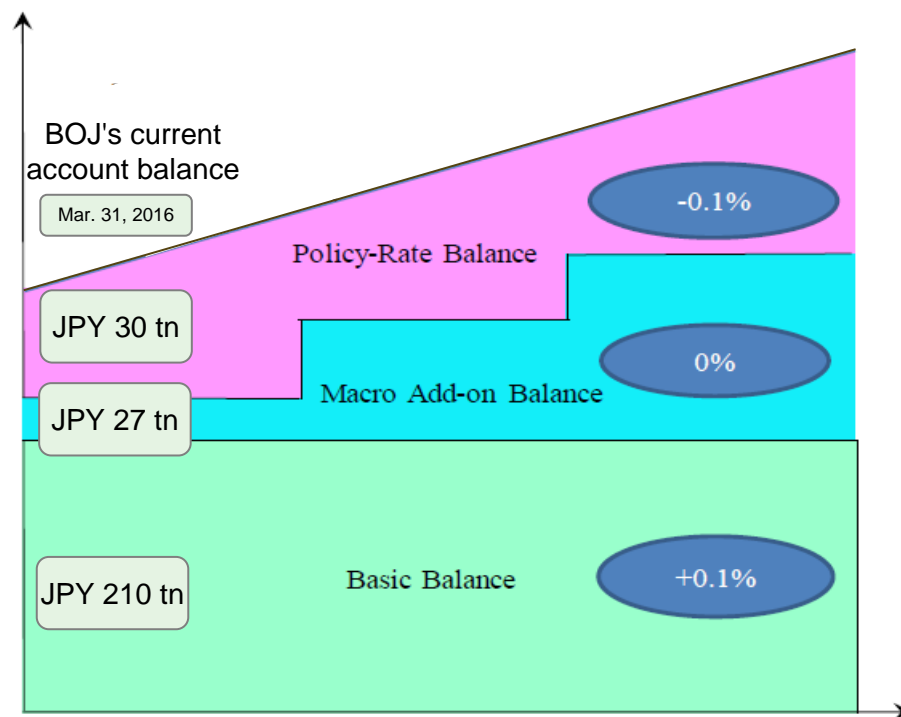
Promote shifts from savings to investments

- Raised interest rates of foreign deposits (USD, AUD, etc.)
- Increase sales of wrap accounts and low risk and low return investment products

Diversify revenue sources Initiatives to secure loan margin

- Strengthen commission business
- Expand non-banking business
- Initiatives to increase high value-added loans by providing solutions

BOJ's negative interest rate policy*



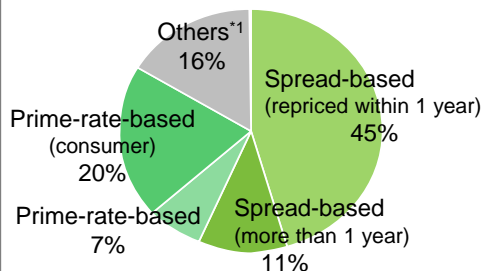
Balance sheet

SMFG consolidated balance sheet (Mar. 31, 2016)

Of which SMBC
non-consolidated

- Balance in the BOJ's current account
Mar. 31, 2016 JPY 31.8 tn
FY3/16 average JPY 26.7 tn

- Domestic loans outstanding JPY 50.1 tn



- JGB JPY 9.8 tn
 - Of which other securities JPY 7.8 tn

Cash and due from banks
JPY 42.8 tn

Loans
JPY 75.1 tn

Securities
JPY 25.3 tn

Other assets
JPY 43.4 tn

Deposits
(includes NCD)
JPY 124.9 tn

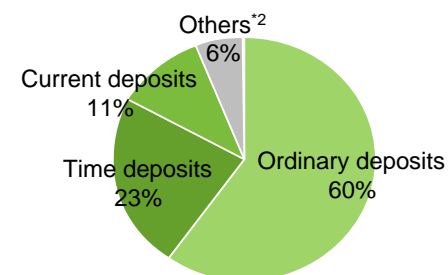
Other liabilities
JPY 51.3 tn

Total net assets JPY 10.4 tn

Total assets JPY 186.6 tn

Of which SMBC
non-consolidated

- Domestic deposits outstanding JPY 82.1 tn



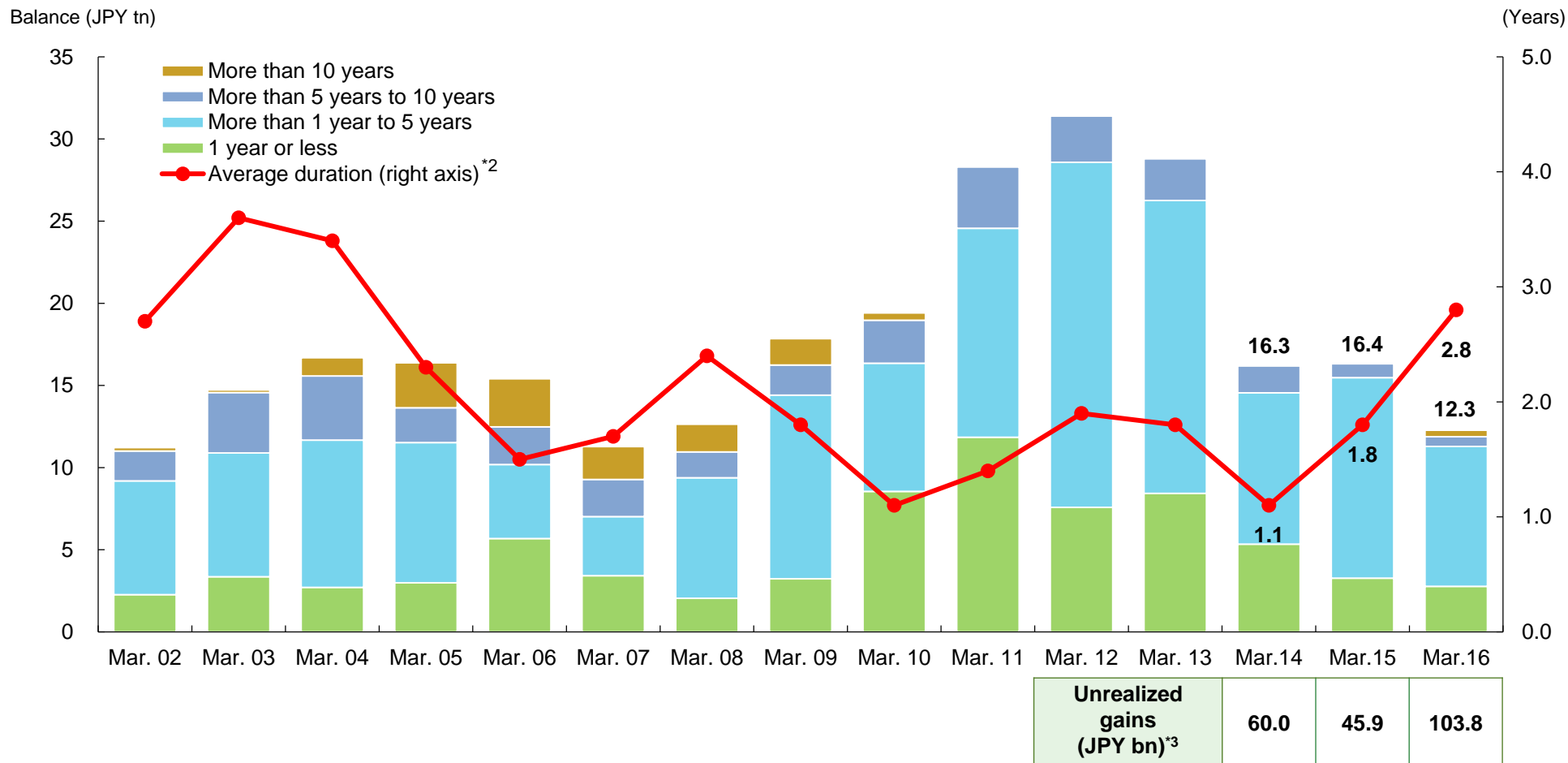
- Borrowed money JPY 7.9 tn
 - Bonds JPY 4.8 tn
 - CP JPY 2.0 tn

*1 Loans denominated in foreign currencies, overdraft, etc. *2 Foreign currency deposits, sundry deposits, etc.

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

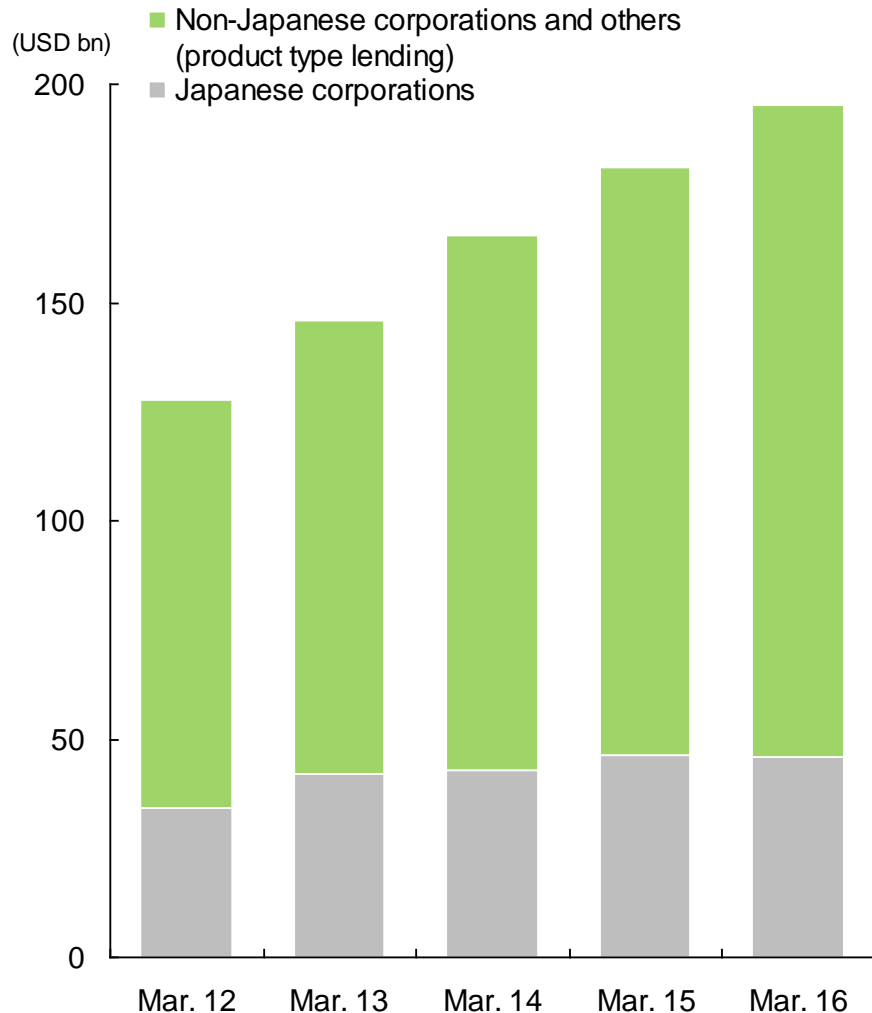
*2 Excludes bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero. Duration at Mar. 2002 is for JGB portfolio only

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

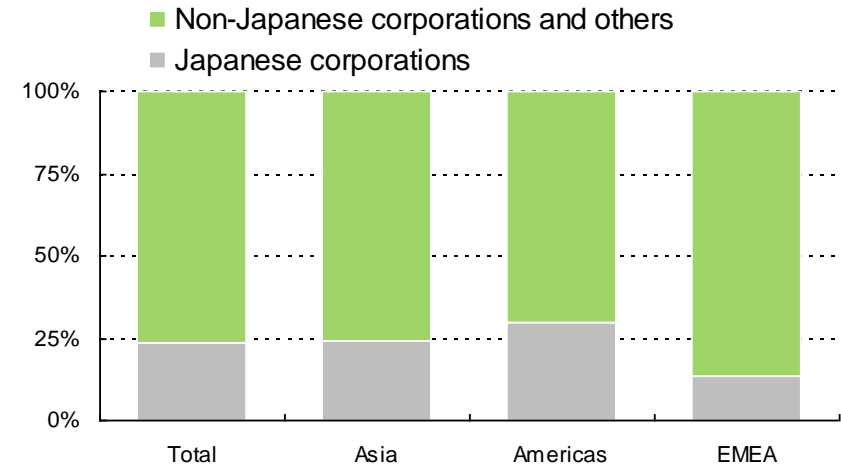
Overseas loan balance classified by borrower type

(Geographic classification based on booking office)

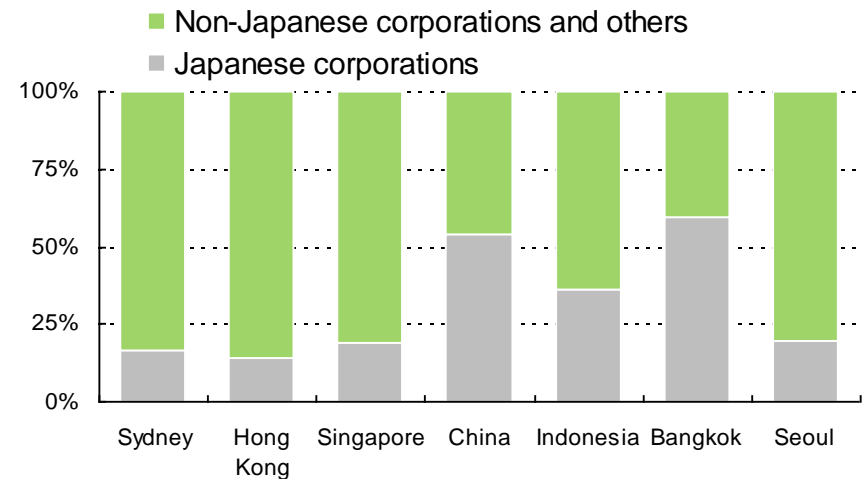
Total*1



By region (Mar. 2016)*1



Major marketing channels in Asia (Mar. 2016)*1, 2



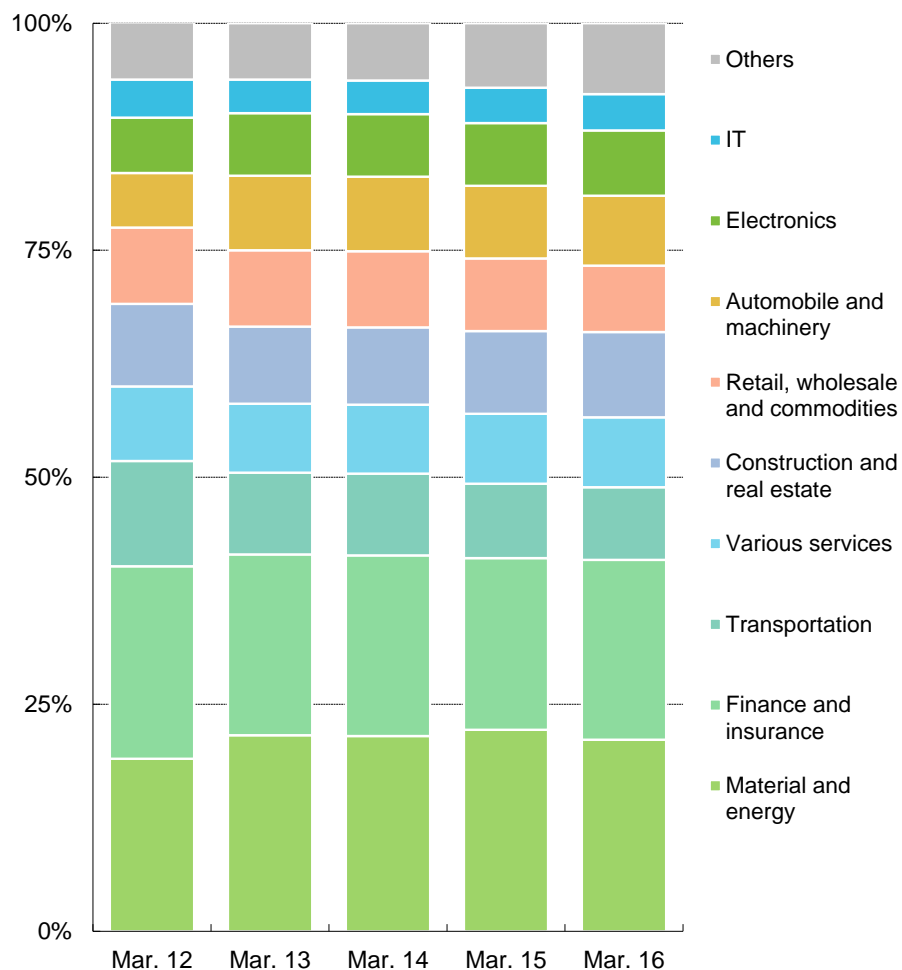
*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China). Includes trade bills after Mar. 2015

*2 Sum of SMBC and SMBC Indonesia

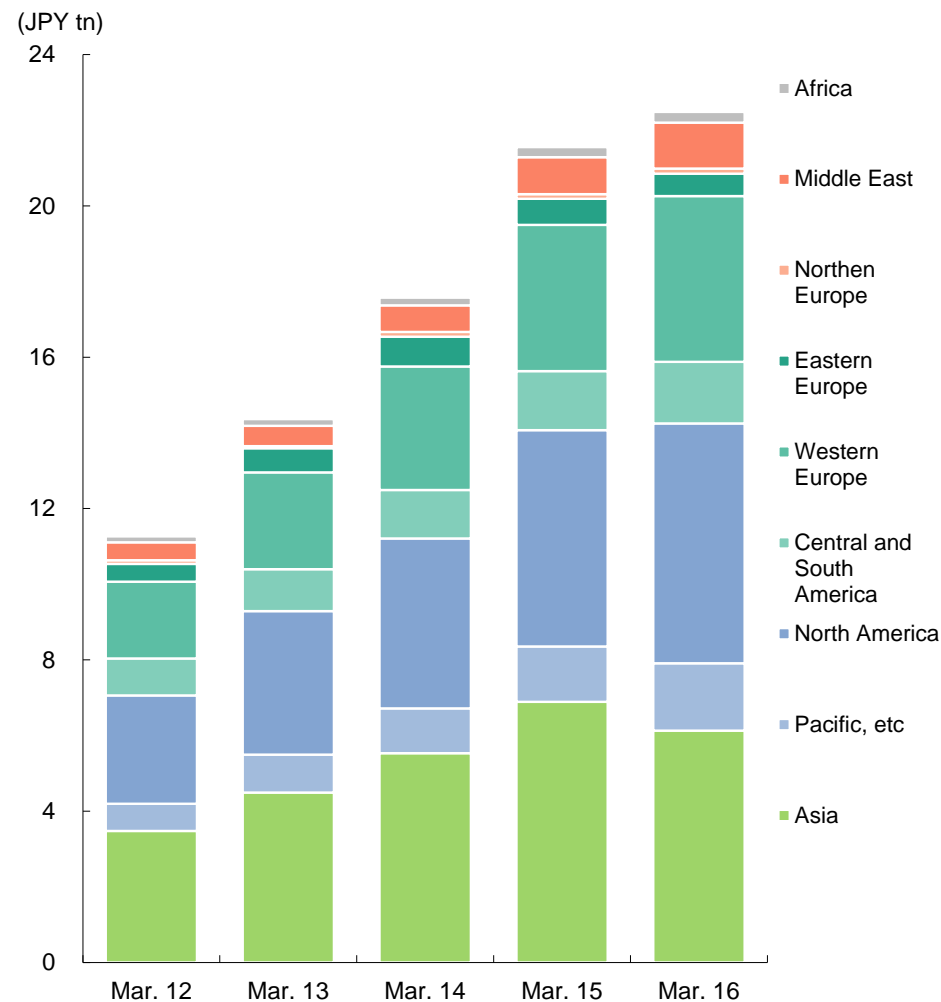
Overseas loan balance classified by industry and domicile

(Geographic classification based on domicile of borrowers)*

By industry



By domicile

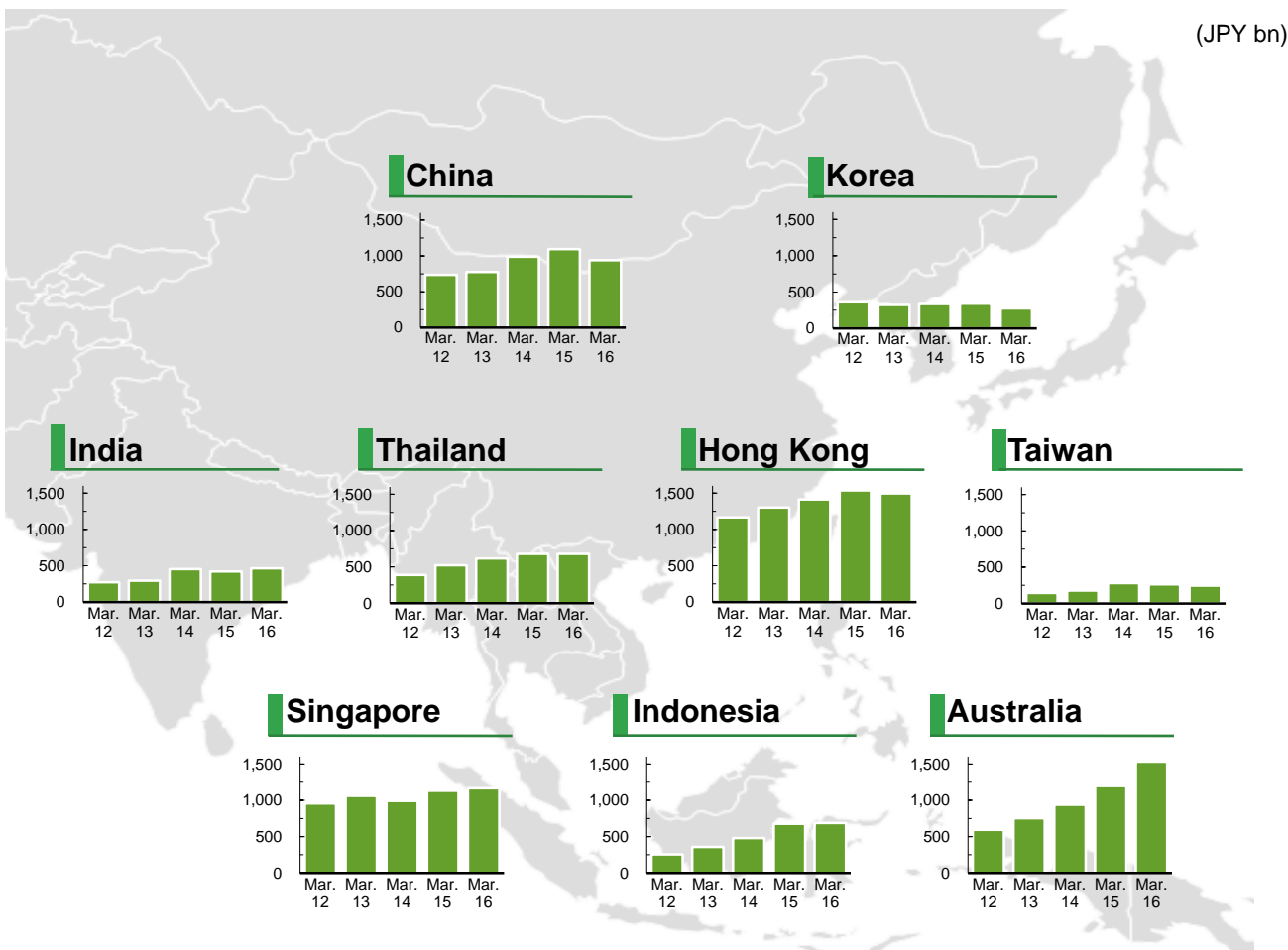


* Managerial accounting basis, translated into JPY at respective period-end exchange rates. Sum of SMBC, SMBC Europe and SMBC (China). Before direct reduction

International business – SMFG's footprint in Asia

Loan balance in Asian countries

(Geographic classification based on domicile of borrowers)*



Strategic partners

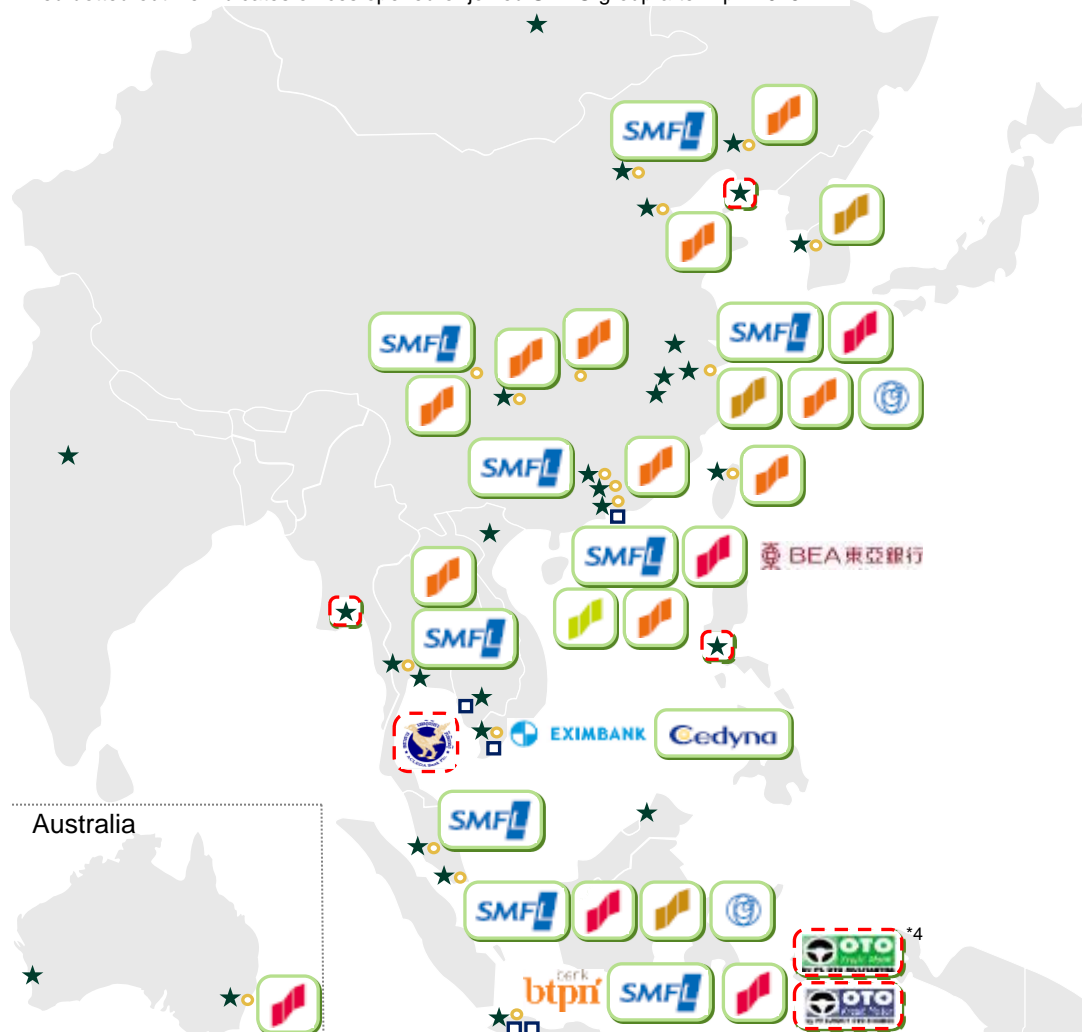
(Equity method affiliates of SMBC)

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 Mar. 31, 2016

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. 2015



SMBC SUMITOMO MITSUI BANKING CORPORATION	Banking	< Asia and Oceania > 14 countries/areas, 39 offices*1
Sumitomo Mitsui Finance and Leasing	Leasing	<ul style="list-style-type: none"> Beijing Shanghai Chengdu Guangzhou Hong Kong Bangkok Kuala Lumpur Singapore Jakarta
SMBC NIKKO	Securities	<ul style="list-style-type: none"> Hong Kong Sydney Singapore Jakarta
	M&A advisory	<ul style="list-style-type: none"> Shanghai Hong Kong Singapore Jakarta
SMBC FRIEND SECURITIES	Market research	<ul style="list-style-type: none"> Hong Kong
SUMITOMO MITSUI CARD COMPANY, LIMITED	Prepaid card services	<ul style="list-style-type: none"> Seoul*2
	Consulting	<ul style="list-style-type: none"> Shanghai
	Market research	<ul style="list-style-type: none"> Singapore
Cedyna	Auto loans	<ul style="list-style-type: none"> Ho Chi Minh*3
SMBC CONSUMER FINANCE	Consumer finance	<ul style="list-style-type: none"> Hong Kong Shenzhen Shenyang Tianjin Chongqing Chengdu Wuhan Shanghai Bangkok
	Loan management and collection	<ul style="list-style-type: none"> Taipei
The Japan Research Institute, Limited	Consulting	<ul style="list-style-type: none"> Shanghai
	System integration	<ul style="list-style-type: none"> Shanghai Singapore

*1 As of Apr. 30, 2016. Includes SMBC, SMBC's banking subsidiaries and equity method affiliates. Excludes offices planned to be closed

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

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

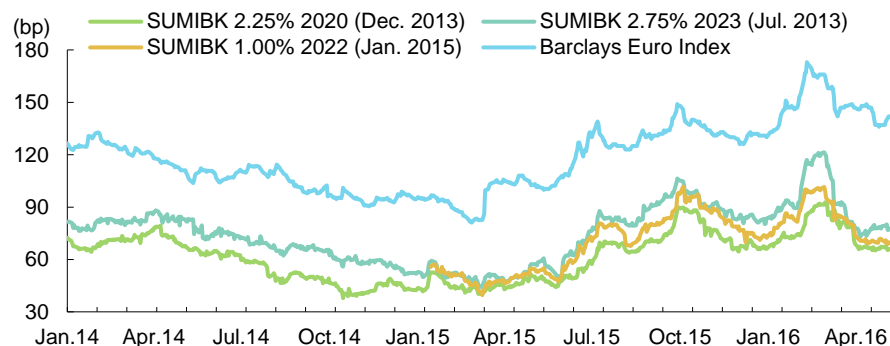
*4 SMBC made OTO/SOF equity method affiliates in Mar. 2016

SMBC EUR senior bonds issuances

Funding strategy

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

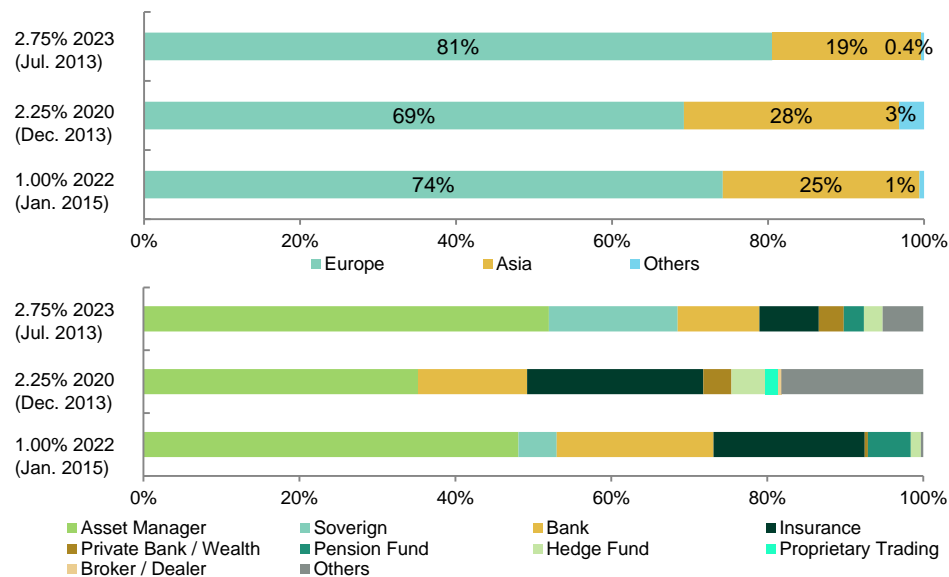
Secondary spread (Z-spread) *



Summary terms of past issuances

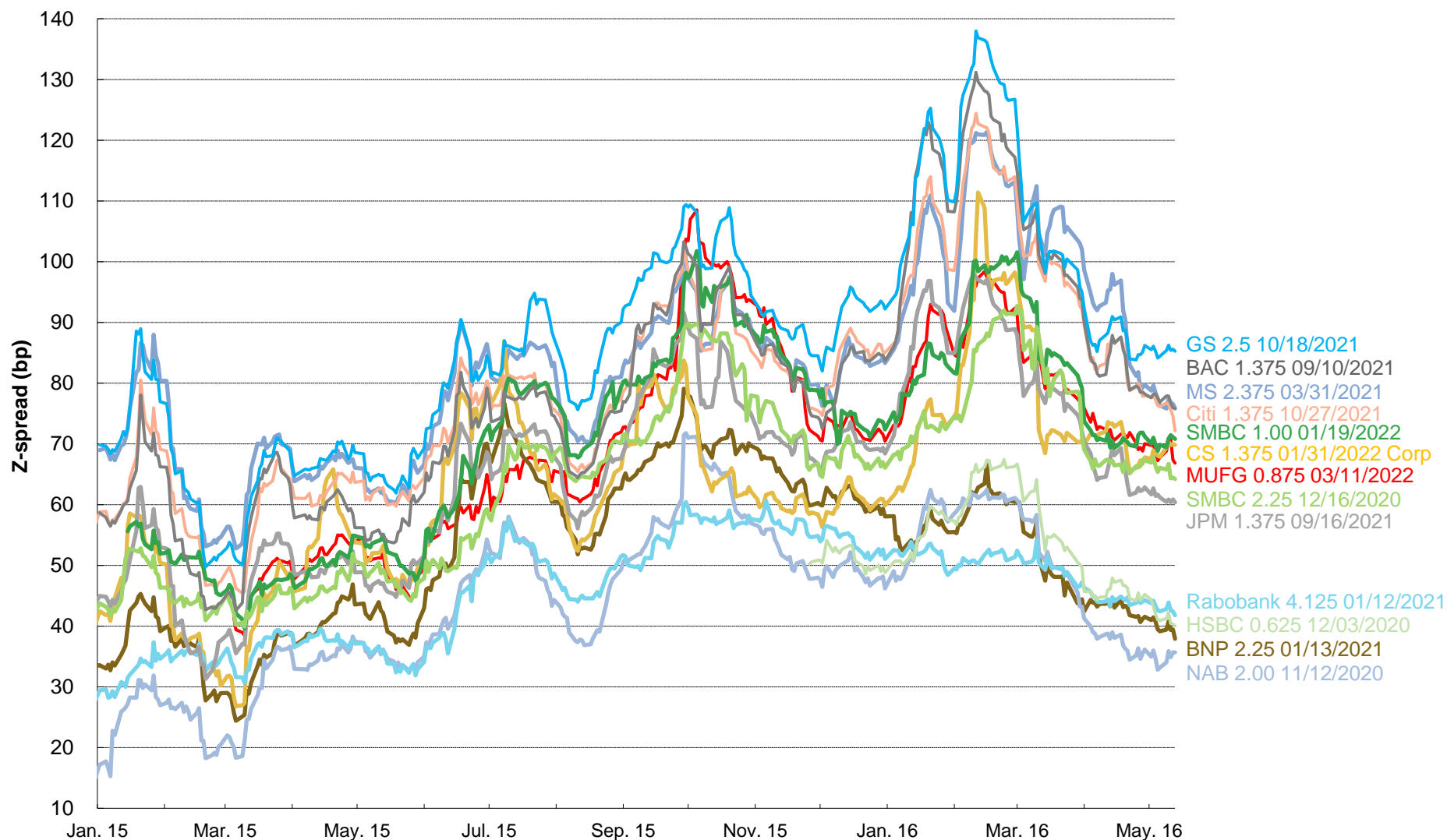
Issuer	SMBC		
Securities Offered	Senior Notes		
Rating	A1 / A (Moody's / S&P)		
Tenor	10-year	7-year	7-year
Amount	€500mn	€750mn	€750mn
Coupon	2.75%	2.25%	1.00%
Reoffer Spread	MS+98bps	MS+78bps	MS+60bps
Price	99.312	99.330	99.497
Pricing Date	Jul. 18, 2013	Dec. 9, 2013	Jan. 14, 2015
Issue Date	Jul. 24, 2013	Dec. 16, 2013	Jan. 19, 2015
Maturity Date	Jul. 24, 2023	Dec. 16, 2020	Jan. 19, 2022
Format	EMTN / Regulation S		
Listing	Luxembourg Stock Exchange (Euro-MTF)		

Breakdown of allocation



* Source: Bloomberg as of May 13, 2016

■ SMBC EUR senior secondary comps (Z-spread) - Since 2015*



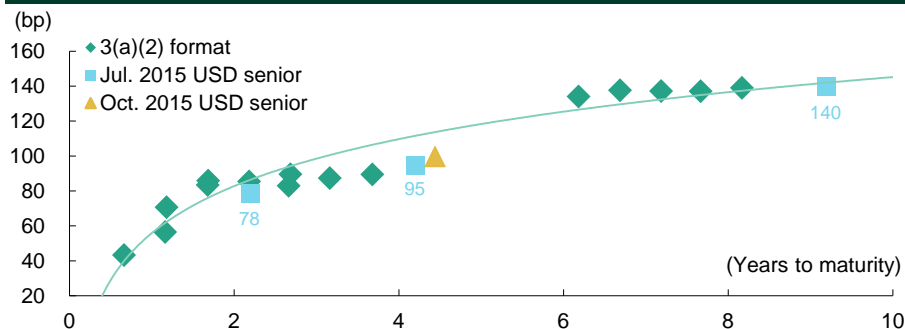
* Source: Bloomberg as of May 13, 2016

SMBC USD senior bonds issuances

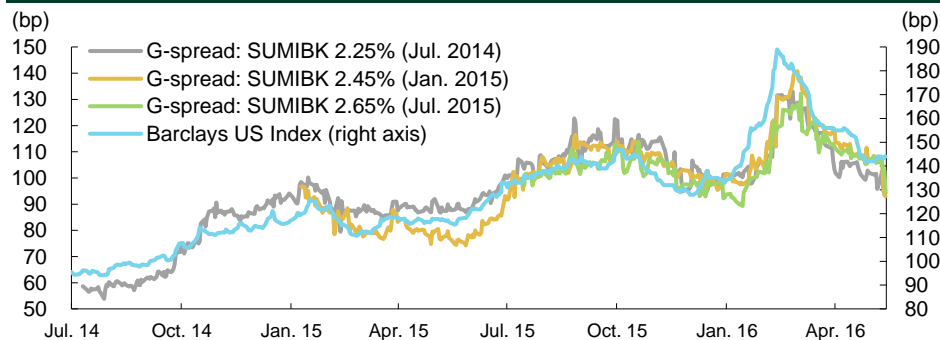
Highlights

- Our periodic issuances since Jul. 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



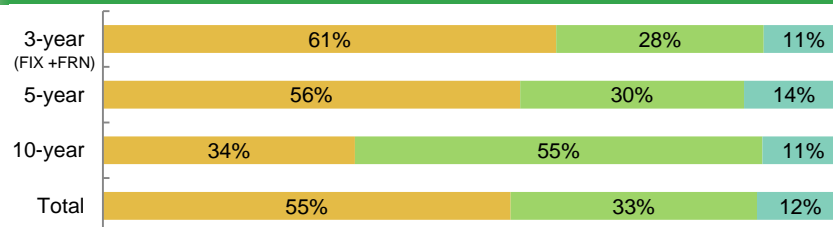
*1 Source: Bloomberg, Barclays US Aggregate Financial Institutions Index as of May 13, 2016

*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

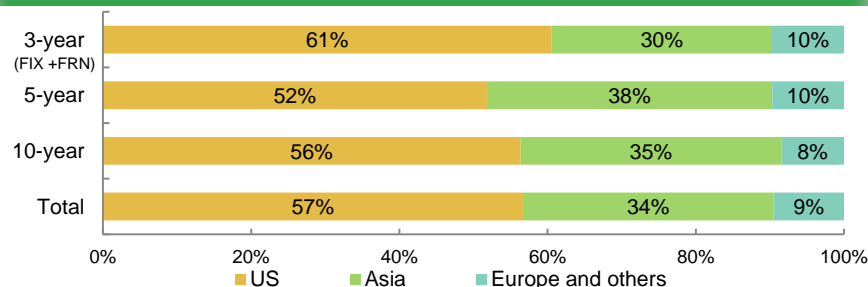
*3 Weighted average maturity (years) of senior term funding issuance. For the callable bonds, 1st call dates are regarded as their maturity dates

Geographical breakdown of allocation

USD senior bonds – in Jul. 2015

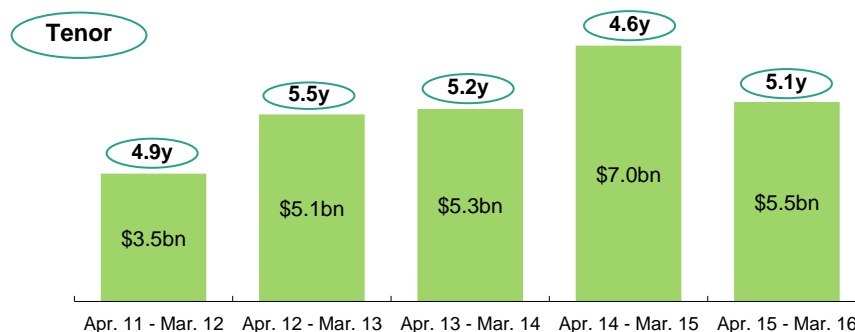


USD senior bonds – since Jul. 2012*2

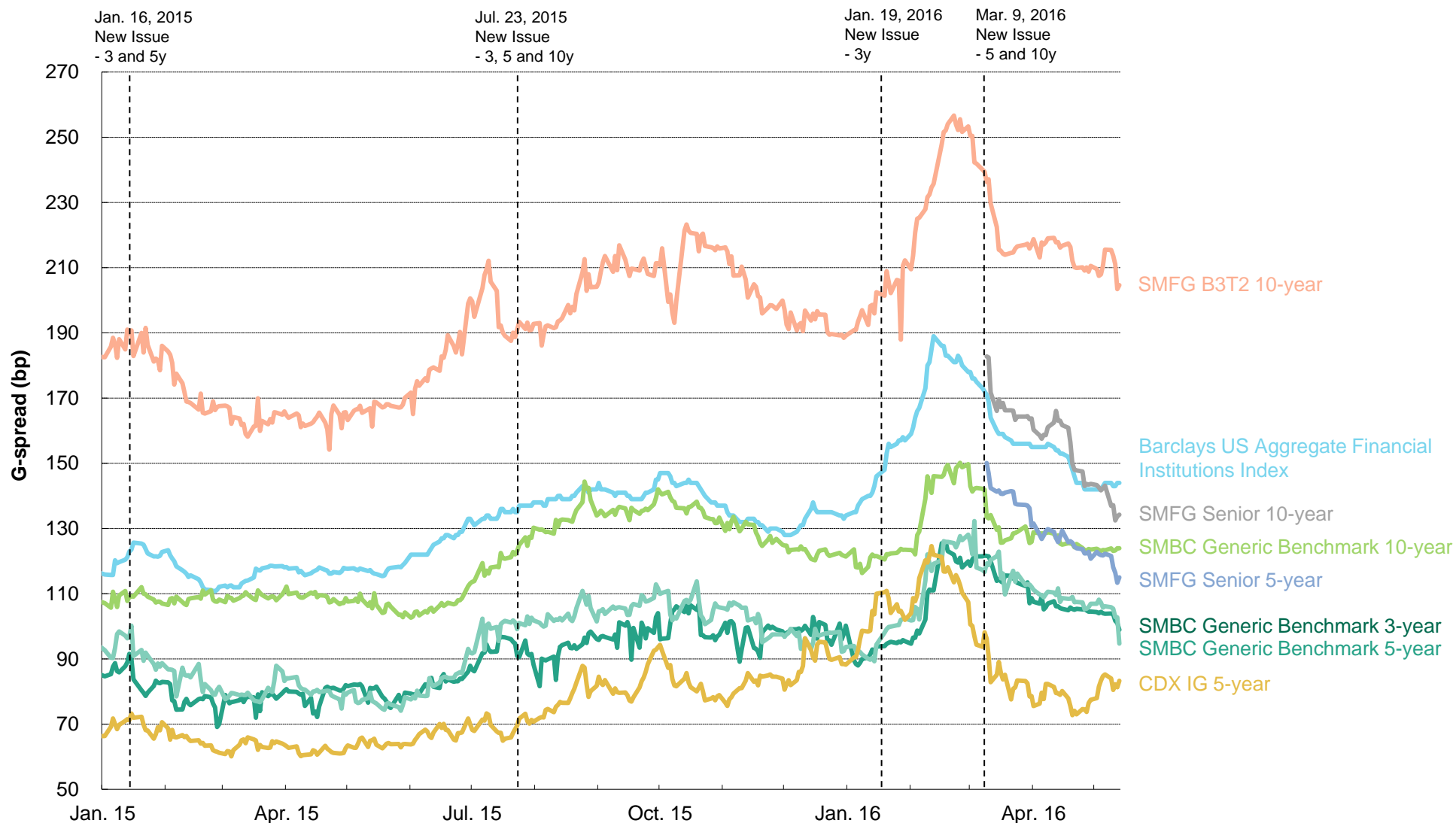


USD term funding

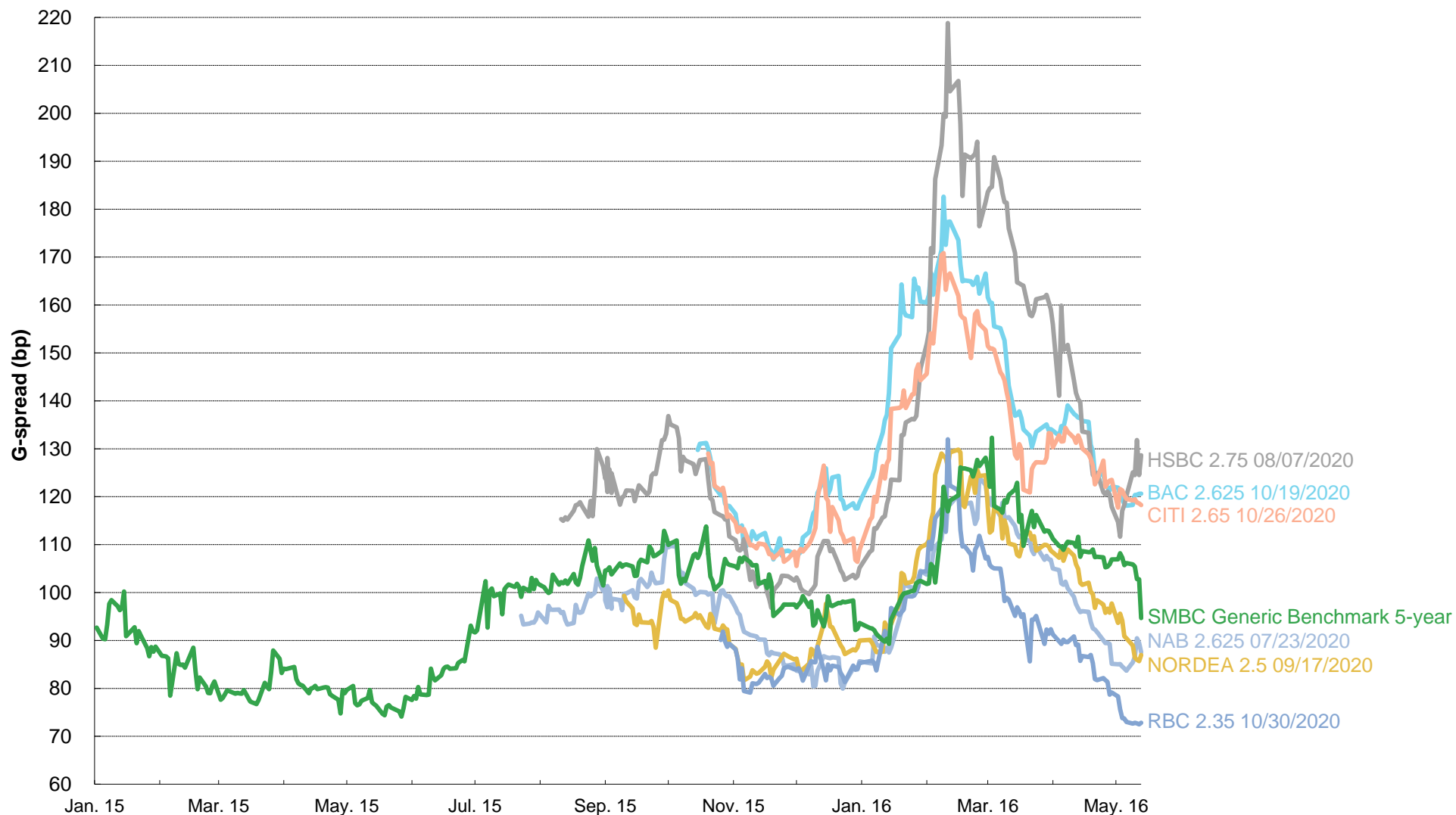
– volume and tenor of new issuance*3



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



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



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	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	SMBC	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	SMBC	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	USLIBOR+0.95%	USLIBOR+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	SMBC	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)
Jan. 13, 2012	SMBC	Senior	CD	2 years	Jan. 13, 2014	USD 15	USLIBOR+0.62%	USLIBOR+0.62%	SUMIBK Float 01/13/14 Corp
Mar. 1, 2012	SMBC	Sub	RegS	10 years	Mar. 1, 2022	USD 1,500	4.85%	+285bp	SUMIBK 4.85 Corp
Mar. 19, 2012	SMBC	Senior	CD	3 years	Mar. 19, 2015	USD 75	USLIBOR+0.80%	USLIBOR+0.80%	SUMIBK Float 03/19/15 Corp
Jul. 18, 2012	SMBC	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	SMBC	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. 13, 2013	SMBC	Senior	CD	2 years	Mar. 13, 2015	USD 300	USLIBOR+0.40%	USLIBOR+0.40%	SUMIBK Float 03/13/15 Corp
Mar. 15, 2013	SMBC	Senior	CD	3 years	Mar. 15, 2016	USD 2,150	USLIBOR+0.22%	USLIBOR+0.22%	SUMIBK Float 03/15/16 Corp
Mar. 19, 2013	SMBC	Senior	CD	2 years	Mar. 19, 2015	USD 1,500	USLIBOR+0.07%	USLIBOR+0.07%	SUMIBK Float 03/19/15 Corp
Mar. 25, 2013	SMBC	Senior	Domestic Retail	5 years	Mar. 12, 2018	USD 120	1.21%	--	SUMIBK 1.21 Corp
Apr. 11, 2013	SMBC	Senior	CD	2 years	Apr. 10, 2015	USD 78	USLIBOR+0.37%	USLIBOR+0.37%	SUMIBK Float 04/10/15 Corp
Apr. 30, 2013	SMBC	Senior	CD	2 years	Apr. 30, 2015	USD 50	USLIBOR+0.37%	USLIBOR+0.37%	SUMIBK Float 04/30/15 Corp
Jun. 24, 2013	SMBC	Senior	Domestic Retail	6 years	Jun. 13, 2019	USD 150	1.88%	--	SUMIBK 1.88 Corp
Jul. 19, 2013	SMBC	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	USLIBOR+0.67%	USLIBOR+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	SMBC	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	USLIBOR+0.43%	USLIBOR+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)

*1 Issuance with original maturity of two years or more as of May 13, 2016. 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*1

Issue date	Issuer	Sub/Senior	Format	Tenor	Maturity date	Amount (mn)	Coupon	Spread* 2	Ticker
USD denominated (cont'd)									
Jan. 13, 2014	SMBC	Senior	CD	2 years	Jan. 13, 2016	USD 15	USLIBOR+0.36%	USLIBOR+0.36%	SUMIBK Float 01/13/16 Corp
Mar. 3, 2014	SMBC	Senior	CD	2 years	Mar. 3, 2016	USD 250	USLIBOR+0.32%	USLIBOR+0.32%	SUMIBK Float 03/03/16 Corp
Mar. 10, 2014	SMBC	Senior	Domestic Retail	5 years	Mar. 11, 2019	USD 120	1.85%	--	SUMIBK 1.85 Corp
Apr. 2, 2014	SMFG	Sub	144A/RegS	10 years	Apr. 2, 2024	USD 1,750	4.436%	+175bp	SUMIBK 4.436(04/02/24)
Apr. 7, 2014	SMBC	Senior	CD	2 years	Apr. 7, 2016	USD 78	USLIBOR+0.32%	USLIBOR+0.32%	SUMIBK Float 04/07/16 Corp
Apr. 7, 2014	SMBC	Senior	CD	2 years	Apr. 7, 2016	USD 28	USLIBOR+0.32%	USLIBOR+0.32%	SUMIBK Float 04/07/16 Corp
Apr. 14, 2014	SMBC	Senior	CD	2 years	Apr. 14, 2016	USD 50	USLIBOR+0.32%	USLIBOR+0.32%	SUMIBK Float 04/14/16 Corp
Apr. 29, 2014	SMBC	Senior	CD	2 years	Apr. 29, 2016	USD 250	USLIBOR+0.32%	USLIBOR+0.32%	SUMIBK Float 04/29/16 Corp
May 2, 2014	SMBC	Senior	CD	3 years	May 2, 2017	USD 500	USLIBOR+0.37%	USLIBOR+0.37%	SUMIBK Float 05/02/17 Corp
May 8, 2014	SMBC	Senior	Private Placement	15 years	May 8, 2029	USD 100	4.13%	--	SUMIBK 4.13 Corp (05/08/29)
Jun. 5, 2014	SMBC	Senior	Private Placement	3 years	Jun. 5, 2017	USD 50	USLIBOR+0.37%	USLIBOR+0.37%	SUMIBK Float 06/05/17 Corp
Jun. 9, 2014	SMBC	Senior	Private Placement	7 years	Jun. 9, 2021	USD 30	2.80%	--	SUMIBK 2.8 Corp(06/09/21)
Jun. 10, 2014	SMBC	Senior	Private Placement	7 years	Jun. 10, 2021	USD 30	2.808%	--	SUMIBK 2.808 Corp
Jun. 11, 2014	SMBC	Senior	Private Placement	5 years	Jun. 11, 2019	USD 100	USLIBOR+0.52%	USLIBOR+0.52%	SUMIBK Float 06/11/19 Corp
Jul. 11, 2014	SMBC	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	USLIBOR+0.32%	USLIBOR+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. 16, 2014	SMBC	Senior	CD	3 years	Dec. 18, 2017	USD 100	USLIBOR+0.465%	USLIBOR+0.465%	SUMIBK Float 12/18/17 Corp
Dec. 29, 2014	SMBC	Senior	Domestic Retail	4 years	Dec. 5, 2018	USD 50	1.67%	--	SUMIBK 1.67 Corp
Jan. 16, 2015	SMBC	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	USLIBOR+0.58%	USLIBOR+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)
Jan. 23, 2015	SMBC	Senior	CD	3 years	Jan. 23, 2018	USD 20	USLIBOR+0.47%	USLIBOR+0.47%	SUMIBK Float 01/23/18 Corp
Feb. 25, 2015	SMBC	Senior	3(a)(2) Re-opening of Jan. 2015	3 years	Jan. 16, 2018	USD 500	USLIBOR+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	SMBC	Senior	Private Placement	15 years	Mar. 5, 2030	USD 55	3.31%	--	SUMIBK 3.31 Corp
Mar. 13, 2015	SMBC	Senior	CD	3 years	Mar. 13, 2018	USD 10	USLIBOR+0.48%	USLIBOR+0.48%	SUMIBK Float 03/13/18 Corp
Mar. 23, 2015	SMBC	Senior	Domestic Retail	5 years	Mar. 11, 2020	USD 90	2.05%	--	SUMIBK 2.05 Corp(03/11/20)
May 28, 2015	SMBC	Senior	Formosa	30NC10	May 28, 2045	USD 655	4.30%	--	SUMIBK 4.3 Corp(05/28/2045)
May 29, 2015	SMBC	Senior	CD	2 years	May 31, 2017	USD 55	USLIBOR+0.43%	USLIBOR+0.43%	SUMIBK Float 05/31/17 Corp

*1 Issuance with original maturity of two years or more as of May 13, 2016. 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	Issuer	Sub/Senior	Format	Tenor	Maturity date	Amount (mn)	Coupon	Spread* ²	Ticker
USD denominated (cont'd)									
Jul. 23, 2015	SMBC	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	USLIBOR+0.74%	USLIBOR+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. 7, 2015	SMBC	Senior	CD	2 years	Aug. 7, 2017	USD 128	USLIBOR+0.51%	USLIBOR+0.51%	SUMIBK Float 08/07/17 Corp
Aug. 24, 2015	SMBC	Senior	Domestic Retail	5 years	Aug. 24, 2020	USD 60	2.09%	--	SUMIBK 2.09 Corp(08/24/20)
Oct. 20, 2015	SMBC	Senior* ³	3(a)(2)	5 years	Oct. 20, 2020	USD 500	2.45%	+120bp	SUMIBK 2.45 Corp(10/20/20)
Jan. 19, 2016	SMBC	Senior	3(a)(2)	3 years	Jan. 18, 2019	USD 750	2.05%	+95bp	SUMIBK 2.05 Corp(01/18/19)
				3 years	Jan. 18, 2019	USD 500	USLIBOR+0.94%	USLIBOR+0.94%	SUMIBK Float 01/18/19 Corp
Mar. 9, 2016	SMFG	Senior	SEC Registered	5 years	Mar. 9, 2021	USD 1,750	2.934%	+160bp	SUMIBK 2.934 Corp
				5 years	Mar. 9, 2021	USD 750	USLIBOR+1.68%	USLIBOR+1.68%	SUMIBK Float 03/09/21 Corp
				10 years	Mar. 9, 2026	USD 1,500	3.784%	+195bp	SUMIBK 3.784 Corp
May 12, 2016	SMBC	Senior	CD	2 years	May 14, 2018	USD 15	USLIBOR+0.70%	USLIBOR+0.70%	SUMIBK Float 05/14/18 Corp
GBP denominated									
Mar. 18, 2013	SMBC	Senior	RegS (EMTN)	3 years	Mar. 18, 2016	GBP 250	GBLIBOR+0.55%	GBLIBOR+0.55%	SUMIBK Float 03/18/16 Corp
EUR denominated									
Nov. 9, 2010	SMBC	Sub	144A/RegS	10 years	Nov. 9, 2020	EUR 750	4.00%	M/S+130bp	SUMIBK 4 Corp
Jul. 24, 2013	SMBC	Senior	RegS (EMTN)	10 years	Jul. 24, 2023	EUR 500	2.75%	M/S+98bp	SUMIBK 2.75 Corp(07/24/23)
Dec. 16, 2013	SMBC	Senior	RegS (EMTN)	7 years	Dec. 16, 2020	EUR 750	2.25%	M/S+78bp	SUMIBK 2.25 Corp(12/16/20)
Jan. 19, 2015	SMBC	Senior	RegS (EMTN)	7 years	Jan. 19, 2022	EUR 750	1.00%	M/S+60bp	SUMIBK 1 Corp
Sep. 08, 2015	SMBC	Senior	RegS (EMTN)	2 years	Sep. 8, 2017	EUR 1,500	EURIBOR+0.30%	EURIBOR+0.30%	SUMIBK Float 09/08/17 Corp

*1 Issuance with original maturity of two years or more as of May 13, 2016. Gray background bonds mean that the bonds have already been redeemed

*2 Spread over US Treasury unless otherwise indicated

*3 Green Bond

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
CNY denominated									
Jul. 6, 2015	SMBC	Senior	CD	3 years	Jul. 6, 2018	CNY 300	3.50%	--	SUMIBK 3.5 Corp(07/06/18)
Jul. 30, 2015	SMBC	Senior	CD	5 years	Jul. 30, 2020	CNY 150	4.12%	--	SUMIBK 4.12 Corp
Aug. 13, 2015	SMBC	Senior	CD	3 years	Aug. 13, 2018	CNY 150	4.18%	--	SUMIBK 4.18 Corp
Mar. 2, 2016	SMBC	Senior	CD	2 years	Mar. 2, 2018	CNY 200	4.90%		SUMIBK 4.9 Corp
AUD denominated									
Mar. 16, 2010	SMBC	Senior	Domestic Retail	3 years	Mar. 14, 2013	AUD 540	5.76%	--	SUMIBK 5.76 Corp
Dec. 21, 2011	SMBC	Senior	Domestic Retail	3 years	Dec. 18, 2014	AUD 430	4.28%	--	SUMIBK 4.28 Corp
Jun. 21, 2012	SMBC	Senior	Domestic Retail	4 years	Jun. 21, 2016	AUD 420	4.07%	--	SUMIBK 4.07 Corp
Dec. 19, 2012	SMBC	Senior	Domestic Retail	4 years	Dec. 19, 2016	AUD 200	3.47%	--	SUMIBK 3.47 Corp
Feb. 26, 2013	SMBC	Senior	TCD	3 years	Feb. 26, 2016	AUD 500	BBSW+0.78%	BBSW+0.78%	SUMIBK Float 02/26/16 Corp
Mar. 25, 2013	SMBC	Senior	Domestic Retail	3 years	Mar. 1, 2016	AUD 140	3.29%	--	SUMIBK 3.29 Corp
Jun. 24, 2013	SMBC	Senior	Domestic Retail	4 years	Jun. 13, 2017	AUD 130	3.45%	--	SUMIBK 3.45 Corp
Nov. 7, 2013	SMBC	Senior	TCD	3 years	Nov. 7, 2016	AUD 200	BBSW+0.77%	BBSW+0.77%	SUMIBK Float 11/07/16 Corp
Mar. 10, 2014	SMBC	Senior	Domestic Retail	5 years	Mar. 11, 2019	AUD 150	4.13%	--	SUMIBK 4.13 Corp(03/11/19)
Sep. 4, 2014	SMBC	Senior	TCD	3 years	Sep. 4, 2017	AUD 400	BBSW+0.68%	BBSW+0.68%	SUMIBK Float 09/04/17 Corp
Sep. 16, 2014	SMBC	Senior	Private Placement	5 years	Sep. 16, 2019	AUD 100	3.875%	--	SUMIBK 3.875 Corp
Dec. 29, 2014	SMBC	Senior	Domestic Retail	4 years	Dec. 5, 2018	AUD 190	3.12%	--	SUMIBK 3.12 Corp(12/05/18)
Mar. 5, 2015	SMBC	Senior	Private Placement	10 years	Mar. 5, 2025	AUD 50	3.67%	--	SUMIBK 3.67 Corp
Mar. 23, 2015	SMBC	Senior	Domestic Retail	5 years	Mar. 11, 2020	AUD 120	2.97%	--	SUMIBK 2.97 Corp
Apr. 7, 2015	SMBC	Senior	TCD	5 years	Apr. 7, 2020	AUD 850	BBSW+1.02%	BBSW+1.02%	SUMIBK Float 04/07/20 Corp
Aug. 24, 2015	SMBC	Senior	Domestic Retail	5 years	Aug. 24, 2020	AUD 170	3.10%	--	SUMIBK 3.1 08/24/20 Corp
Dec. 3, 2015	SMBC	Senior	TCD	3 years	Dec. 3, 2018	AUD 600	BBSW+1.15%	BBSW+1.15%	SUMIBK Float 12/03/18 Corp

*1 Issuance with original maturity of two years or more as of May 13, 2016. 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	Issuer	Sub/Senior	Format	Tenor	Maturity date	Amount (mn)	Coupon	Spread ²	Ticker
HKD denominated									
Feb. 12, 2014	SMBC	Senior	CD	3 years	Feb. 13, 2017	HKD 220	1.35%	--	SUMIBK 1.35 Corp(02/13/17)
Feb. 14, 2014	SMBC	Senior	CD	3 years	Feb. 14, 2017	HKD 123	1.35%	--	SUMIBK 1.35 Corp(02/14/17)
Jul. 31, 2014	SMBC	Senior	CD	3 years	Jul. 31, 2017	HKD 561	1.56%	--	SUMIBK 1.56 Corp(07/31/17)
Aug. 29, 2014	SMBC	Senior	CD	3 years	Aug. 29, 2017	HKD 200	1.50%	--	SUMIBK 1.50 Corp(08/29/17)
Nov. 28, 2014	SMBC	Senior	CD	3 years	Nov. 9, 2017	HKD 106	1.50%	--	SUMIBK 1.50 Corp(11/09/17)
Mar. 5, 2015	SMBC	Senior	Private Placement	7 years	Mar. 7, 2022	HKD 864	2.55%	--	SUMIBK 2.55 Corp
Apr. 30, 2015	SMBC	Senior	Private Placement	5 years	Apr. 20, 2020	HKD 745	2.09%	--	SUMIBK 2.09 Corp
Apr. 30, 2015	SMBC	Senior	Private Placement	10 years	Apr. 30, 2025	HKD 755	2.92%	--	SUMIBK 2.92 Corp
Jun. 11, 2015	SMBC	Senior	CD	5 years	Jun. 11, 2020	HKD 130	2.20%	--	SUMIBK 2.20 Corp(06/11/20)
Jun. 26, 2015	SMBC	Senior	CD	2 years	Jun. 26, 2017	HKD 150	1.10%	--	SUMIBK 1.10 Corp(06/26/17)
Aug. 27, 2015	SMBC	Senior	CD	3 years	Aug. 27, 2018	HKD 300	2.00%	--	SUMIBK 2.2 Corp
Sep. 11, 2015	SMBC	Senior	CD	3 years	Sep. 11, 2018	HKD 100	1.94%	--	SUMIBK 1.94 Corp(09/11/18)
Nov. 24, 2015	SMBC	Senior	CD	7 years	Nov. 24, 2022	HKD 185	2.75%	--	SUMIBK 2.75 Corp(11/24/22)
Nov. 24, 2015	SMBC	Senior	CD	2 years	Nov. 24, 2017	HKD 150	1.65%	--	SUMIBK 1.65 Corp
Nov. 25, 2015	SMBC	Senior	CD	2 years	May 25, 2018	HKD 200	1.80%	--	SUMIBK 1.8 Corp(05/25/18)
Nov. 27, 2015	SMBC	Senior	CD	3 years	Nov. 27, 2018	HKD 150	HIHD+0.82%	HIHD+0.82%	SUMIBK Float 11/27/18 Corp
Dec. 1, 2015	SMBC	Senior	CD	3 years	Dec. 3, 2018	HKD 150	1.98%	--	SUMIBK 1.98 Corp(12/03/18)
Jan. 25, 2016	SMBC	Senior	CD	2 years	Jan. 25, 2018	HKD 110	1.93%	--	SUMIBK 1.93 Corp(01/25/18)
Feb. 4, 2016	SMBC	Senior	CD	2 years	Feb. 5, 2018	HKD 150	HIHD+0.73%	HIHD+0.73%	SUMIBK Float 02/05/18 Corp
Feb. 4, 2016	SMBC	Senior	CD	3 years	Feb. 4, 2019	HKD 150	HIHD+0.86%	HIHD+0.86%	SUMIBK Float 02/04/19 Corp
Mar. 10, 2016	SMBC	Senior	CD	5 years	Mar. 10, 2021	HKD 100	2.40%	--	SUMIBK 2.4 Corp
Mar. 10, 2016	SMBC	Senior	CD	3 years	Mar. 22, 2019	HKD 265	2.24%	--	SUMIBK 2.24 Corp (03/11/19)
Mar. 11, 2016	SMBC	Senior	CD	3 years	Mar. 11, 2019	HKD 128	2.24%	--	SUMIBK 2.24 Corp (03/11/19)
Mar. 16, 2016	SMBC	Senior	CD	2 years	Mar. 16, 2018	HKD 450	HIHD+0.89%	HIHD+0.89%	SUMIBK Float 03/16/18

*1 Issuance with original maturity of two years or more as of May 13, 2016. Gray background bonds mean that the bonds have already been redeemed

*2 Spread over US Treasury unless otherwise indicated

SMBC Nikko Securities

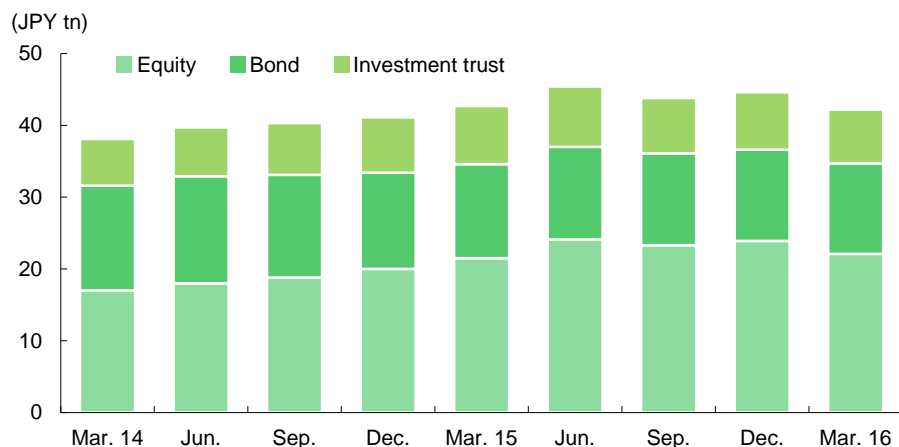
Financial results (consolidated)

(JPY bn)	FY3/15	FY3/16	YOY change
Net operating revenue	329.2	292.8	(36.4)
Ordinary income^{*1}	96.2	55.8	(40.4)
Profit attributable to owners of parent^{*1}	64.7	42.1	(22.6)

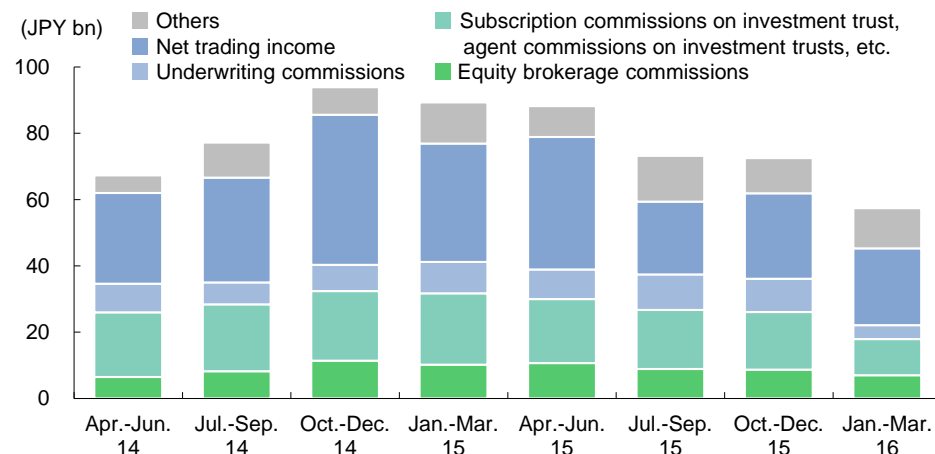
League tables (Apr. 2015- Mar. 2016)^{*2}

	Rank	Market share
Global equity & equity-related (book runner, underwriting amount)^{*3, 4}	#4	13.2%
JPY denominated bonds (lead manager, underwriting amount)^{*3, 5}	#5	15.7%
Financial advisor (M&A, No. of deals)^{*3, 6}	#2	5.1%
Japan IPO (lead manager, No. of deals)^{*7}	#2	21.9%

Client assets



Net operating revenue



^{*1} Includes profit from overseas equity method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG) etc.

^{*2} SMBC Nikko Securities for Global equity & equity-related, JPY denominated bonds and IPO. SMFG for Financial advisor ^{*3} Source: SMBC Nikko, based on data from Thomson Reuters

^{*4} Japanese corporate related only. Includes overseas offices ^{*5} Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds

^{*6} Japanese corporate related only. Group basis ^{*7} Excludes REIT IPO. Source: Thomson Reuters

Strengthening group-wide businesses – Securities

- Merger of SMBC Nikko Securities and SMBC Friend Securities to further strengthen the securities business of SMFG. Target of merger: Jan. 2018
- Prior to the merger, SMBC Nikko Securities will become a wholly-owned direct subsidiary of SMFG to enhance our governance structure. Target: Oct. 2016

Overview of merger

Schedule

Execution of MOU	May 12, 2016
⇒ SMFG, SMBC, SMBC Nikko Securities, SMBC Friend Securities signed Memorandum of Understanding (MOU) for the merger	
Execution of merger agreement	1H of FY3/2017* (tentative)
Effective date of merger	Jan. 2018* (tentative)

Structure (tentative)

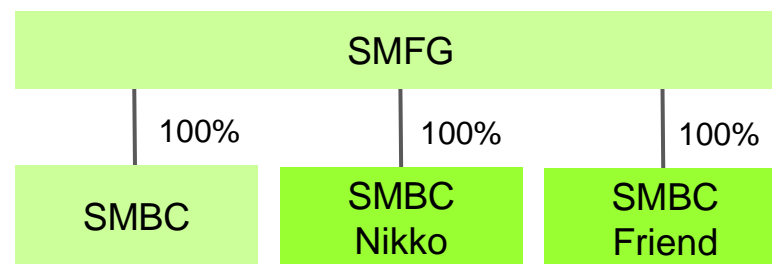
- SMBC Nikko Securities will be the surviving company
- Prior to the merger, SMBC Nikko Securities will become a wholly-owned direct subsidiary of SMFG

Merged Company (tentative)

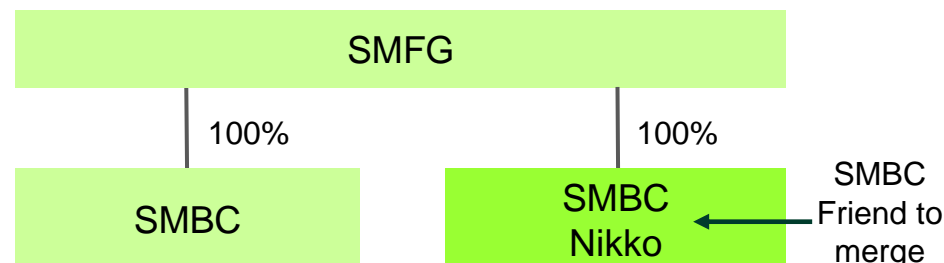
Company name	SMBC Nikko Securities Inc.
Capital Structure	Wholly-owned direct subsidiary of SMFG

SMFG securities business

Oct. 2016 (tentative)



Jan. 2018 (tentative)



* Subject to approvals and authorizations from the relevant authorities

■ Strengthening group-wide businesses – Securities (cont'd)

- Strengthen the securities business by capitalizing on the strengths of the two companies while taking full advantage of synergies from the merger

Background of the Merger

Our clients' needs for securities services is growing

Retail

- “Savings to investments”
- Clients' needs of wealth investment based on their stage of life

Wholesale

- Diversification of fund-raising through capital markets
- M&A, restructuring

Strengths of each company

SMBC Nikko

- Superior consulting capability
- Rich product lineup

SMBC Friend

- Face-to-face marketing capability towards retail clients

Objectives / Synergies

Enhancement of product and services capability

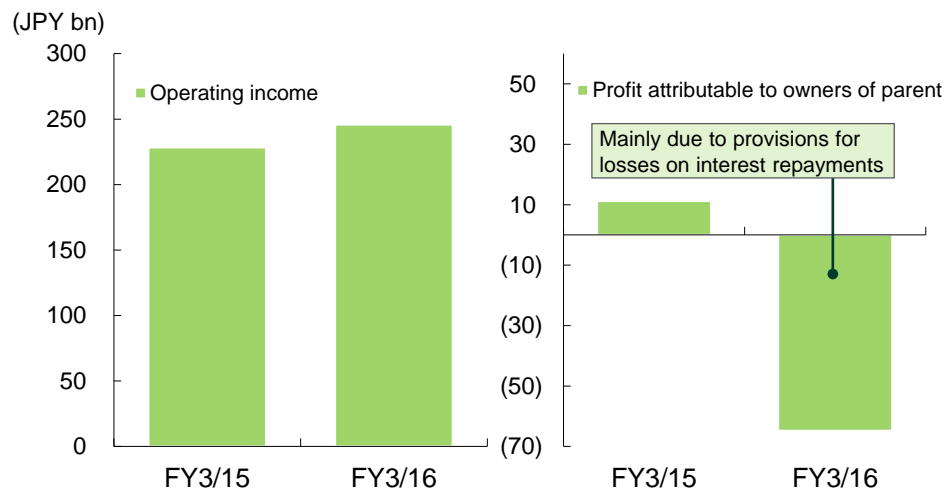
- Increase in product offerings and product-related research
- Enhancement of sales channels
- Reinforcement of consulting type sales

Improvement of productivity and realizing cost synergies

- Optimization of sales personnel staffing
- Consolidation of management infrastructure including systems and sales channels

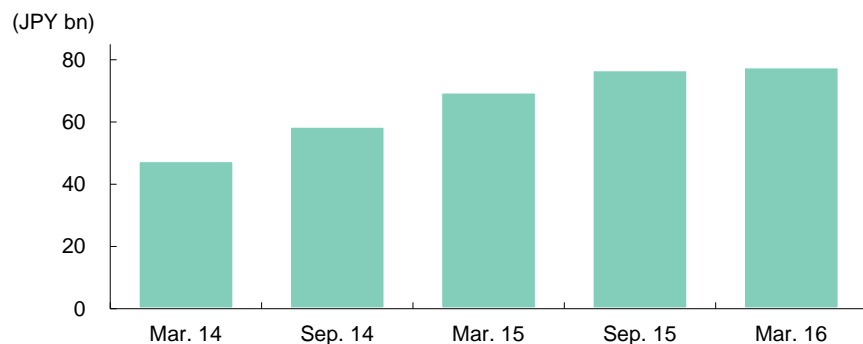
SMBC Consumer Finance

Consolidated operating income and Profit attributable to owners of parent



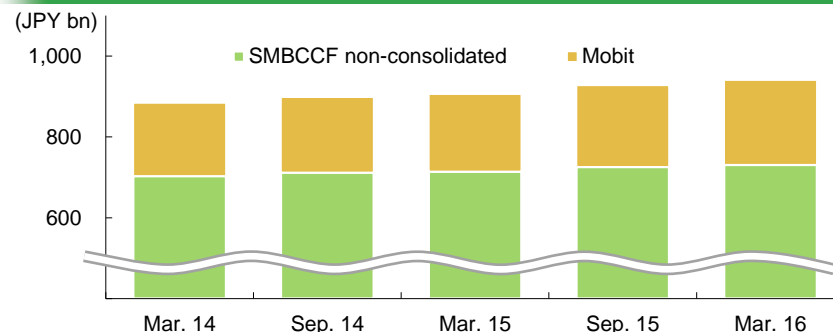
Overseas business

Consumer loans outstanding (overseas)*

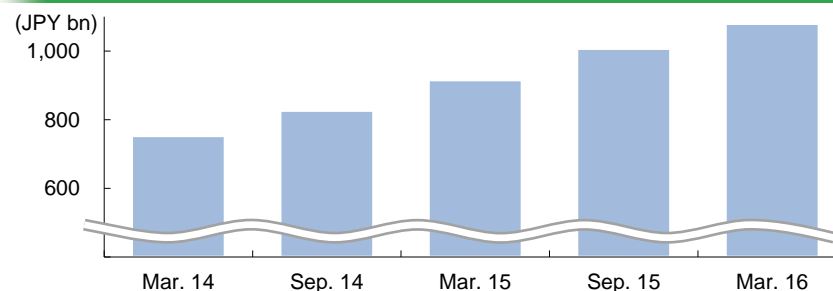


Financing / loan guarantee business

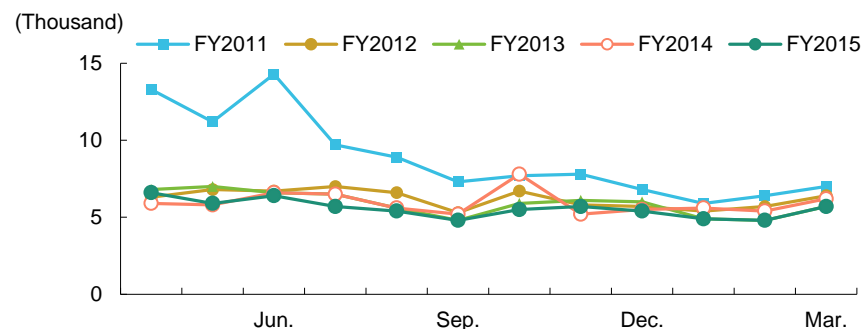
Consumer loans outstanding (domestic)



Loan guarantee amount



No. of interest refund claims

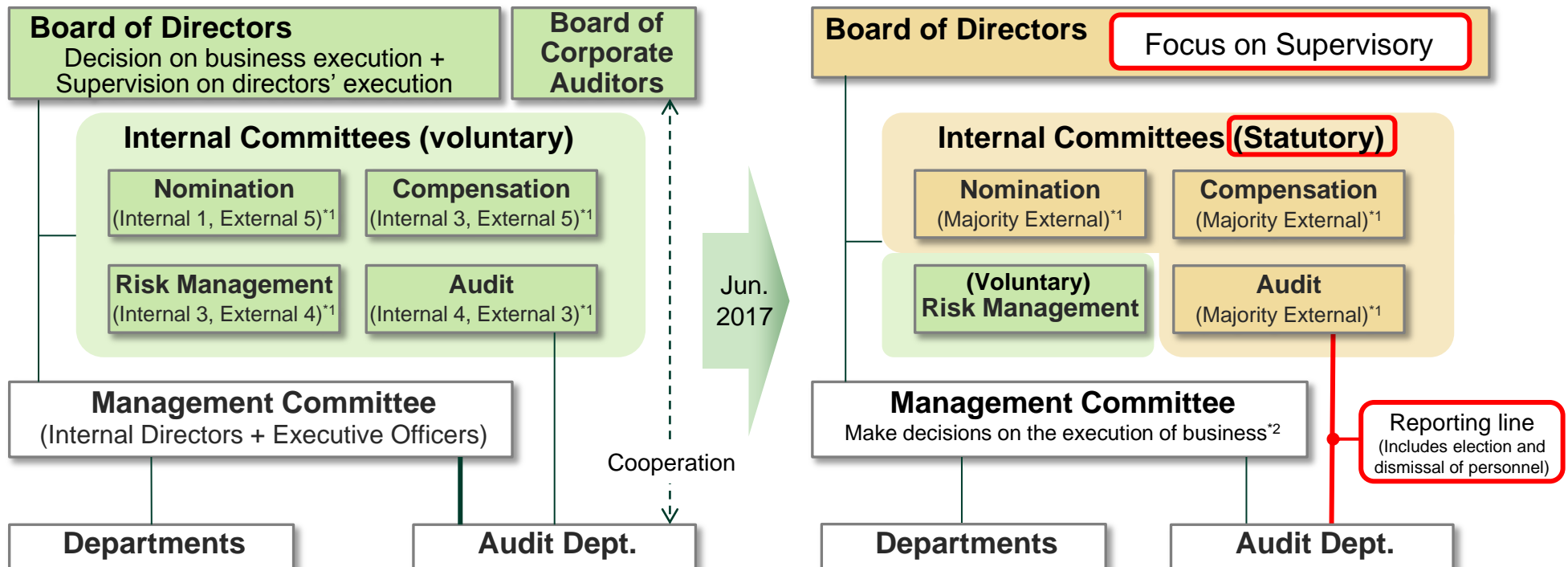


* Aggregate of overseas subsidiaries. Translated into JPY at respective period-end exchange rates

Enhancement of group management structure

(Transformation to Company with Three Committees)

- In order to further enhance its corporate governance framework, SMFG decided to transform into a Company with Three Committees, which is globally recognized and has affinity to international banking regulation and supervision
(Subject to approval by ordinary general meeting of shareholders scheduled in Jun. 2017)
- Strengthen the supervisory function of the Board of Directors and expedite execution of operations by leveraging the monitoring mechanism of the new framework



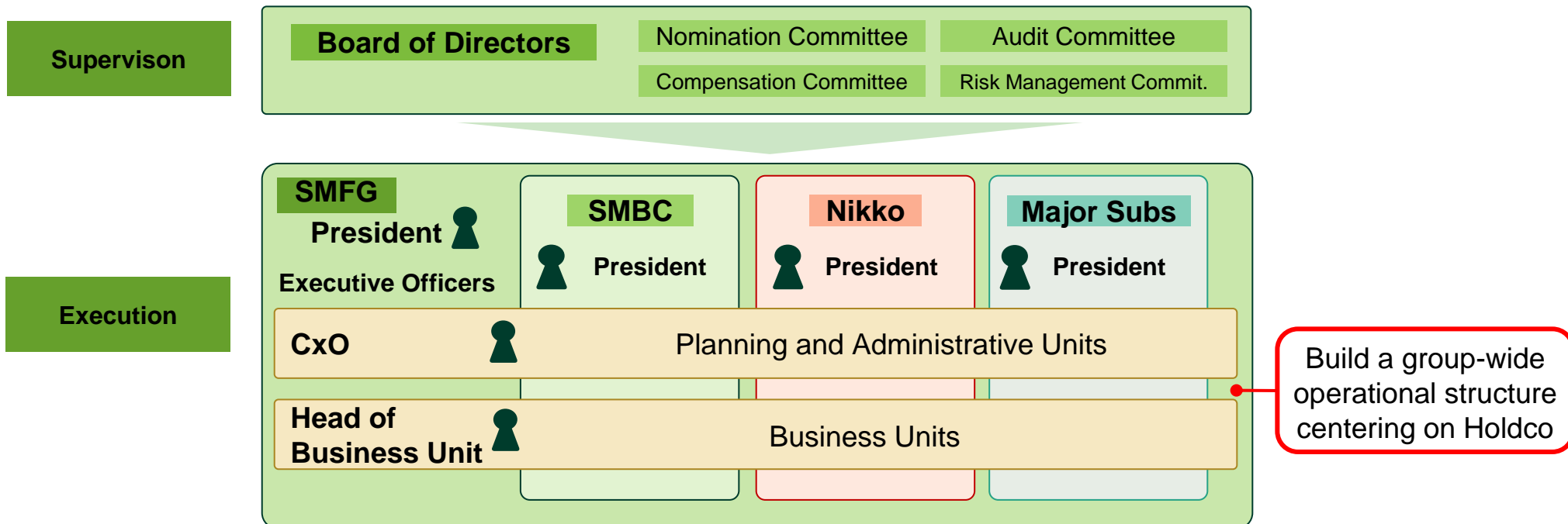
*1 Number of Internal and External directors

*2 Excludes authorities made to Board of Directors by law

Enhancement of group management structure

(Enhancement of group-wide operational structure)

- Plan to implement CxO*¹ system and set up group-wide business units*² in Apr. 2017
 - Further strengthen our integrated group operation structure centering on a holding company and capability to meet diversified customer needs
- In order to strengthen competitiveness as a diversified financial services group, SMFG decided to merge SMBC Nikko Securities and SMBC Friend Securities and consolidate Sumitomo Mitsui Asset Management Company



*1 Chief officers including CFO (Chief Financial Officer) and CRO (Chief Risk Officer)

*2 Structure which will determine strategies for each customer segment across group companies

■ 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 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^{*1}
- Total capital ratio stood at 17.02%^{*2} as of Mar 2016

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^{*3} written down upon PoNV in accordance with their terms
- PoNV will be reached upon a suspension of payment or having negative net worth^{*4}
 - 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^{*5}

^{*1} Please see next page 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 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

^{*2} SMFG consolidated Basel III total capital ratio on a transitional basis

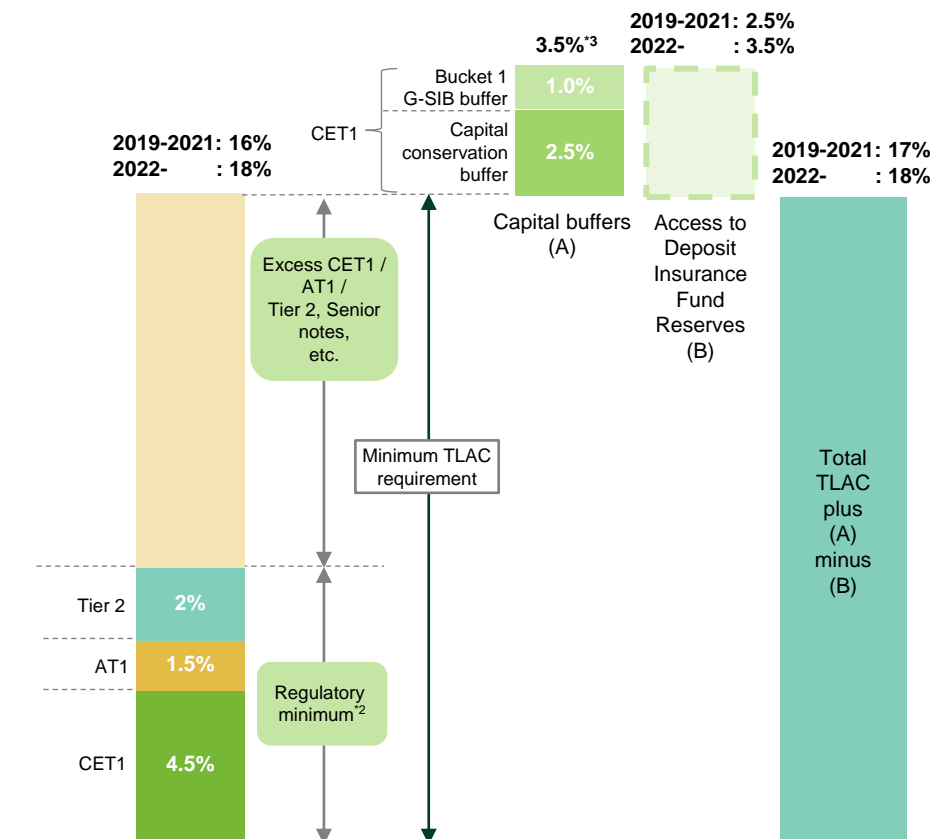
^{*3} Except for the amounts that have become due and payable prior to the occurrence of PoNV

^{*4} 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

^{*5} 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*1

TLAC and capital buffer requirements for SMFG



Highlights of TLAC requirements

Minimum external TLAC requirements

	2019 - 2021	After 2022
Minimum external TLAC requirements (RWA basis)	16%	18%
Plus capital buffers*3	19.5%	21.5%
Factoring treatment of access to Deposit Insurance Fund Reserves	17.0%	18.0%
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

- The FSA plans to allow Japanese G-SIBs to count the amount equivalent to 2.5% of RWA from Mar. 2019 and 3.5% of RWA from Mar. 2022 as external TLAC

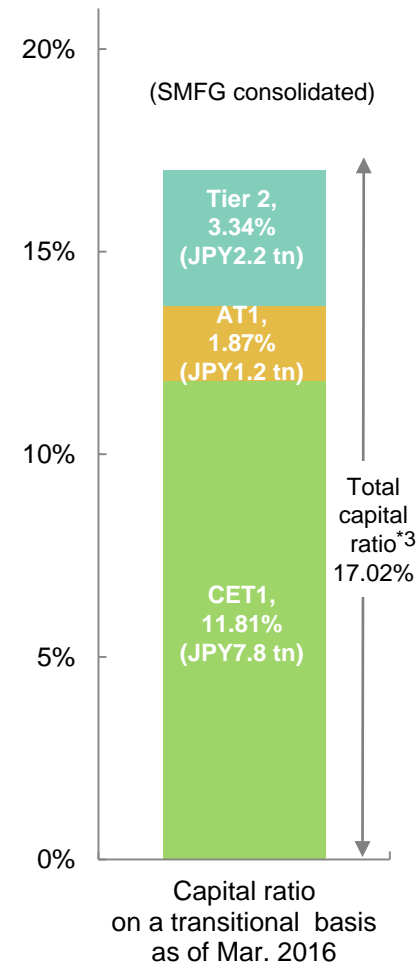
*1 Based on the FSB's final TLAC standards released in Nov. 2015 and the FSA's approach to introduce the TLAC framework in Japan released in Apr. 2016 (the "FSA's Approach"). FSA's Approach remains subject to change based on future international discussions

*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

Meeting TLAC requirements

TLAC senior	<ul style="list-style-type: none"> Senior unsecured debt instruments issued by holding company are expected to count as “external TLAC” *1 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: \$8.8 bn in FY3/2015, \$11.7 bn in FY3/2016*2)
Tier 2 capital	<ul style="list-style-type: none"> 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 (e.g. SMFG AT1 and Tier 2 capital instruments issuance amount: \$3.0 bn in FY3/2015, \$5.2 bn in FY3/2016*2)
AT1 capital	
CET1 capital	<ul style="list-style-type: none"> Aim to secure CET1 ratio of at least around 10% on a fully loaded basis Prepare for the tightening of international financial regulations and downside risks in the economy
<hr/>	
RWAs	<ul style="list-style-type: none"> Closely monitoring regulatory developments that may increase RWAs



*1 Assuming single point of entry resolution where the holding company is the resolution entity, based on the FSA's Approach

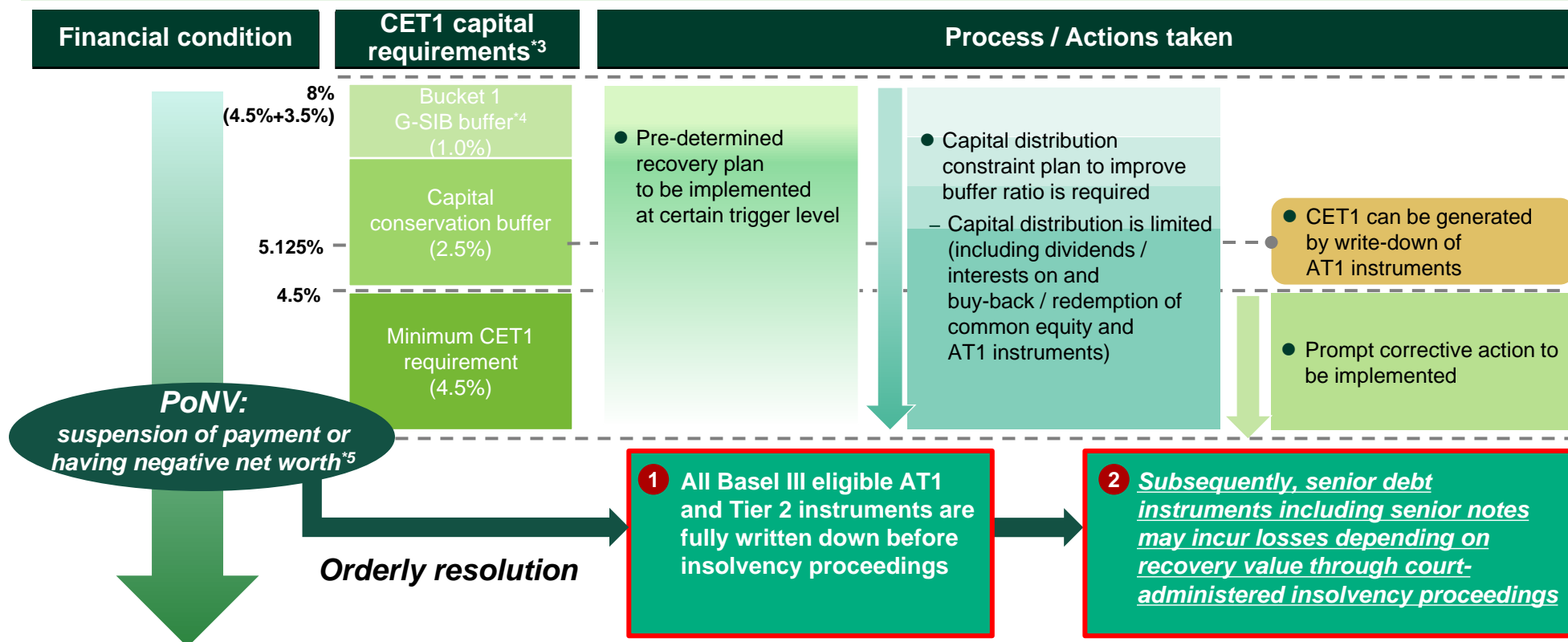
*2 Translated into USD at the exchange rate as of May 13, 2016

*3 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*¹
- All Basel III eligible AT1 and Tier 2 instruments will be fully*² 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



*¹ Based on a possible model of Japanese G-SIB's resolution under a single point of entry resolution strategy as set out in the FSA's Approach

*² Except for the amounts that have become due and payable prior to the occurrence of PoNV

*³ Excludes countercyclical buffer

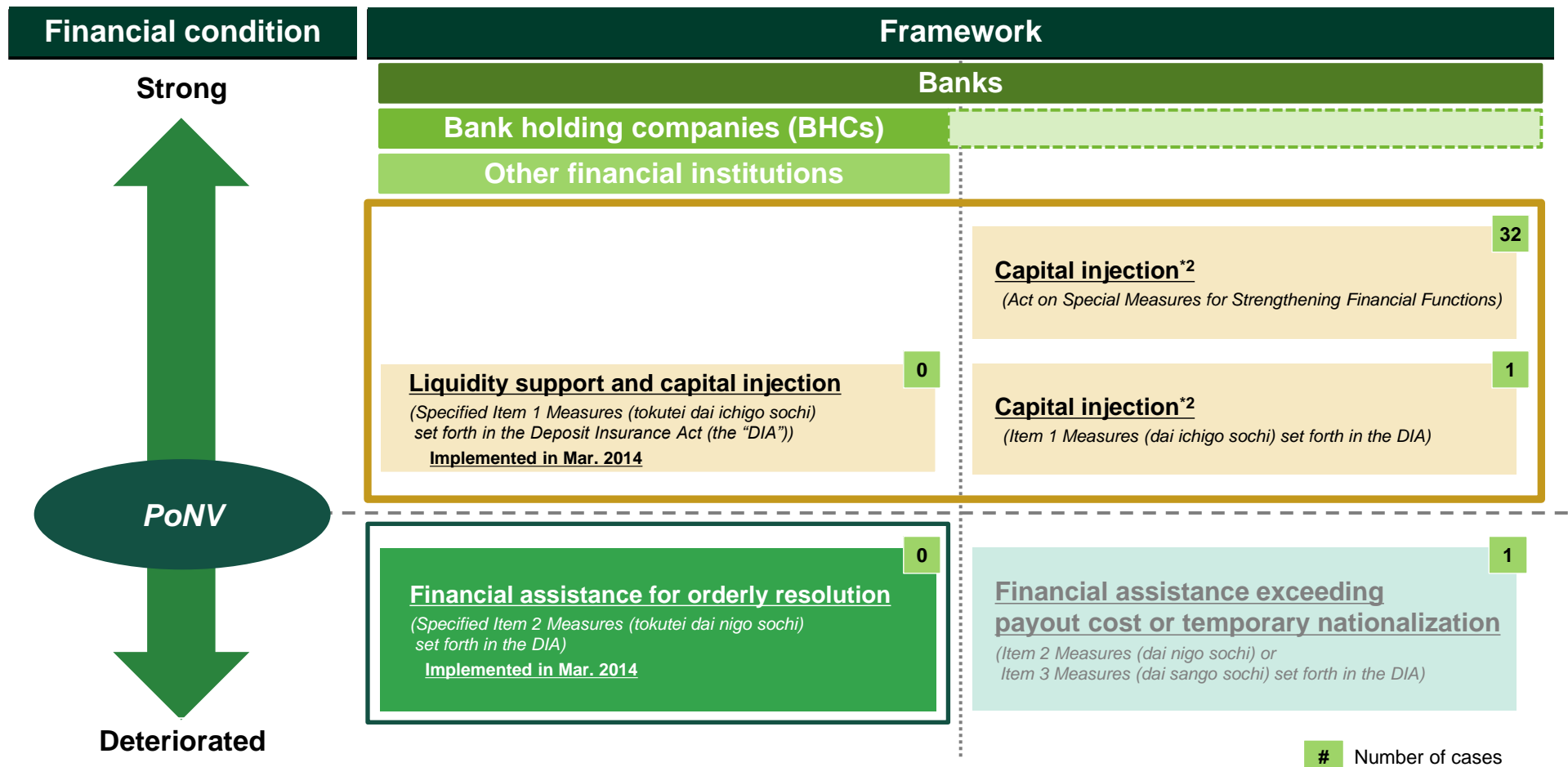
*⁴ As for G-SIB buffer, SMFG was allocated to bucket 1 (1.0%) according to the list published by the Financial Stability Board in Nov. 2015

*⁵ 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^{*1}
- 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

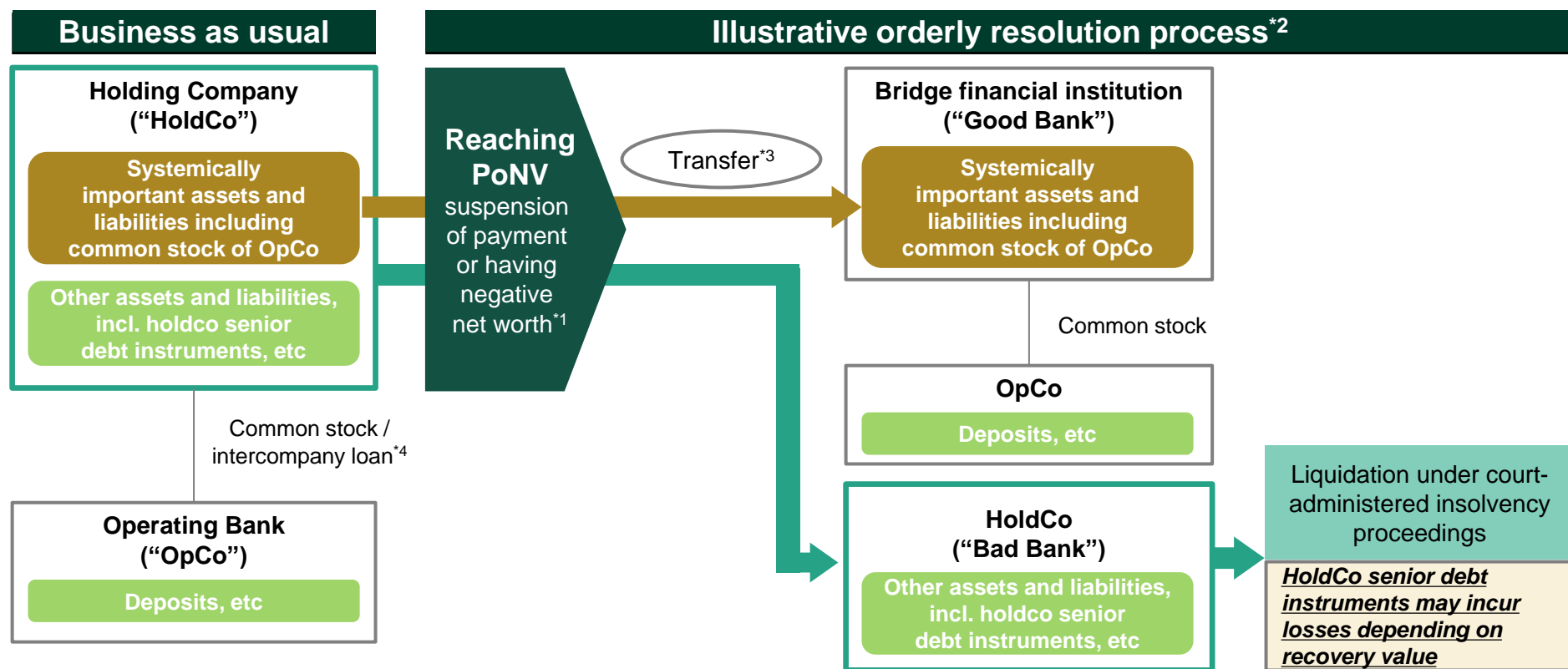


*1 There is no assurance that any such measures would be applied in any given case

*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)*¹ after SMFG absorbs losses incurred by its material subsidiaries
- Senior notes may incur losses depending on recovery value through court-administered insolvency proceedings



*¹ 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

*² Based on a possible model of Japanese G-SIB's resolution under single point of entry resolution process, as stated in the FSA's Approach

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

*⁴ According to the FSA's Approach, domestic material subsidiaries including OpCo could be subject to internal TLAC requirements depending on its size and risk of exposures. Losses incurred at the material subsidiaries would be absorbed by the HoldCo through internal TLAC with certain involvement of the authority in order to implement the orderly resolution

■ 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* ¹	Yes* ³	-
		Item 3 measures <i>Temporary nationalization</i>			Suspension of payment of deposits and having negative net worth* ¹		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* 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

Meeting international financial regulations

		Regulations	Contents of regulation	Effective	Current status
G20	G-SIFI regulation and supervision	G-SIB surcharge	Required for additional loss absorption capacity above the Basel III minimum	2016	Under phased implementation
		Adequacy of loss-absorbing capacity (TLAC)	Required to hold loss absorbing capacity, which consists of eligible liabilities and regulatory capital, on both a going concern and gone concern basis	2019	Finalised at FSB in Nov. 2015
		Recovery and Resolution Plan	SMFG Group Recovery Plan	Implemented	Submitted
			ISDA Protocol: Stays on early termination rights following the start of resolution proceedings of derivatives counterparty	Implemented	Adhered
	Prudential regulation Basel III	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)	2019	Finalised at BCBS in Jan. 2016
			Revisions to the Standardised Approaches	TBD	Consultation for credit/operational risk commenced in Dec. 2015/Mar. 2016
			Constraints on the use of internal model approaches	TBD	Consultation commenced in Mar. 2016
			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	2018	Finalised at BCBS in Apr. 2016
		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	Consultation for revisions to the framework including additional requirements for G-SIBs commenced in Apr. 2016
		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. $\geq 100\%$ needed	2015	Under phased implementation
			NSFR: Required to maintain a sustainable maturity structure of assets and liabilities $\geq 100\%$ needed	2018	Finalised at BCBS in Oct. 2014
		Large exposure regulation	Tightening of exposure limit to a single borrower (25% of Tier 1) 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 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

Ongoing major regulatory discussions

Regulations			Contents	Schedule	Finalised at FSB or BCBS*	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 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	<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) Targeted to be finalized in mid-2016 	Unfinished	Unfinished
	Market risk	IRRBB (Interest-rate risk in the banking book)	<ul style="list-style-type: none"> Adoption of enhanced Pillar 2 approach; (i) more extensive guidance on the expectations for a bank's IRRBB management process, (ii) enhanced disclosure requirements, (iii) an updated standardized framework and (iv) a stricter threshold for identifying outlier banks 	<ul style="list-style-type: none"> Finalized in Apr. 2016 	Finished	Unfinished
	Operational risk	Revisions to the Standardised Measurement Approach	<ul style="list-style-type: none"> Use of the Business Indicator (BI), a proxy of size of business, and the loss data for risk weighted assets calculation is proposed. Termination of the Advanced Measurement Approaches (AMA) is also proposed 	<ul style="list-style-type: none"> Under consultation (comment period will be closed in Jun. 2016) Targeted to be finalized through 2016 	Unfinished	Unfinished
	Overall	Constraints on the use of internal model approaches	<ul style="list-style-type: none"> Constraints on the use of the internal ratings based approach to credit risk; (i) applying the standardised approach to exposures to financial institutions, large corporates and equities, (ii) applying the F-IRB approach for exposures to medium sized corporates, (iii) applying the standardized approach or the IRB supervisory slotting approach for specialized lending, or (iv) applying or raising floors to PDs/LGDs and revising the estimation methods 	<ul style="list-style-type: none"> Under consultation (comment period will be closed in Jun. 2016) Targeted to be finalized through 2016 	Unfinished	Unfinished
		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 revised standardised approaches The design and calibration is now considered. The floor could be calibrated in the range of 60% to 90% 	<ul style="list-style-type: none"> Under consultation (comment period closed in Mar. 2015) Targeted to be finalized through 2016 	Unfinished	Unfinished
Leverage ratio requirement	Leverage ratio		<ul style="list-style-type: none"> A minimum requirement of 3% to be introduced in 2018 Public disclosure requirement started in Jan. 2015 Additional requirements for G-SIBs and revisions including credit conversion factors for off-balance sheet items are proposed in Apr. 2016 	<ul style="list-style-type: none"> The additional requirements for G-SIBs to be finalized through 2016 Scheduled to be implemented in 2018 	Finished in part	Finished in part
G-SIFI regulation	TLAC (total loss-absorbing capacity)		<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Finalized 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%	• A) From 20% to 150% by reference to the external credit ratings • B) If unrated, project finance: pre-operational phase 150%; operational phase 100%, object and commodity finance: 120%
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	• 75% for exposures that meet the regulatory retail criteria	• 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% CCF • Commitment with a maturity under one year: 20% CCF, over one year: 50% CCF	• Commitment that a bank may cancel unconditionally, or effectively provide automatic cancellation due to the deterioration of borrower: 10% CCF • Commitment other than above: 75% CCF	• Retail Commitment that a bank may cancel unconditionally, or effectively provide automatic cancellation due to the deterioration of borrower: 10-20% CCF • 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

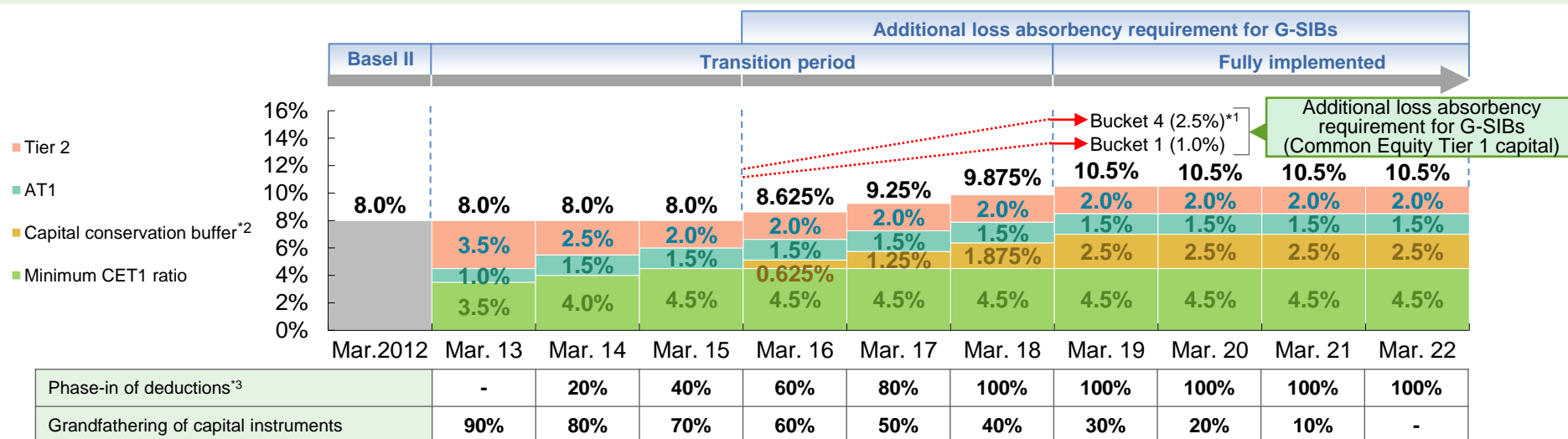
(ii) 80% of RWA based on the most recent approach before migration to the IRB approach and/or AMA
(e.g. (i) AIRB/(ii) FIRB, (i) FIRB/(ii) Basel I)

- 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 and net stable funding ratio are being finalized according to their adoption schedule



Leverage ratio and liquidity rules (Schedule based on final documents by BCBS, and domestic regulations)*4

Leverage ratio	Mar. 2015 domestic regulation finalised	Mar. 2015: Start disclosure (<i>minimum: 3%</i>) 2015 through 1 st half 2017: <i>Final adjustments to definition and calibration</i> ^{*5}					Jan. 2018: <i>Migration to pillar 1</i>	
Liquidity coverage ratio (LCR)	Oct. 2014 domestic regulation finalised	Phased-in from Mar. 2015	Mar. 2015 60%	Jan. 2016 70%	Jan. 2017 80%	Jan. 2018 90%	Jan. 2019 100%	
Net stable funding ratio (NSFR)	Oct. 2014 finalised 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

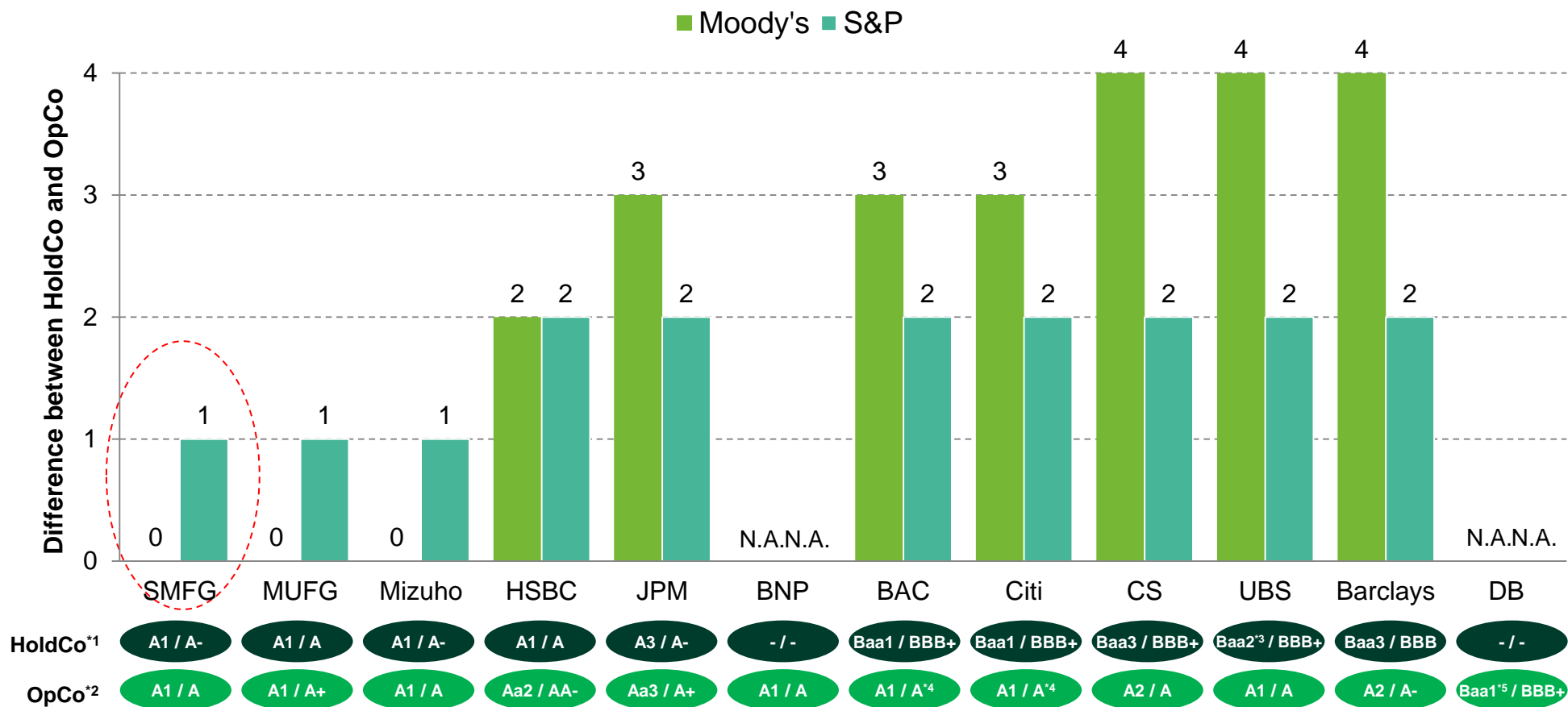
*3 Including amounts exceeding limit for deferred tax assets, mortgage servicing rights and investment in capital instruments of unconsolidated financial institutions

*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

*5 Additional requirements for G-SIBs and revisions including credit conversion factors for off-balance sheet items are proposed in Apr. 2016

Credit ratings of G-SIBs

Credit ratings of selected G-SIBs (as of May 13, 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 BACKED senior unsecured rating of UBS Group Funding Jersey guaranteed by UBS Group AG

*4 Under review for possible upgrade

*5 Under review for possible downgrade

Credit ratings of G-SIBs by Moody's / S&P – Holding companies*1

	Apr. 2016 ^{*2}			
	Moody's	S&P		
Aaa			AAA	
Aa1			AA+	
Aa2			AA	
Aa3			AA-	
A1	<div><div>SMFG</div><ul style="list-style-type: none">Bank of New York MellonHSBCMizuho FG</div> <div><ul style="list-style-type: none">MUFGStandard CharteredState Street</div>		A+	
A2	<ul style="list-style-type: none">Wells Fargo	<div><ul style="list-style-type: none">Bank of New York MellonHSBCMUFG</div> <div><ul style="list-style-type: none">State StreetWells Fargo</div>	A	
A3	<div><ul style="list-style-type: none">Goldman SachsJPMorgan</div> <div><ul style="list-style-type: none">Morgan Stanley</div>	<div><div>SMFG</div><ul style="list-style-type: none">ING</div> <div><ul style="list-style-type: none">JPMorganMizuho FG</div>	A-	
Baa1	<div><ul style="list-style-type: none">Bank of AmericaCitigroup</div> <div><ul style="list-style-type: none">ING</div>	<div><ul style="list-style-type: none">Bank of AmericaCitigroupCredit SuisseGoldman Sachs</div> <div><ul style="list-style-type: none">Morgan StanleyStandard CharteredUBS</div>	BBB+	
Baa2		<ul style="list-style-type: none">Barclays	BBB	
Baa3	<ul style="list-style-type: none">Barclays	<ul style="list-style-type: none">Credit Suisse	<ul style="list-style-type: none">RBS	BBB-
Ba1	<ul style="list-style-type: none">RBS			BB+

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

*2 As of May 13, 2016

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

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

*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 May 13, 2016

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

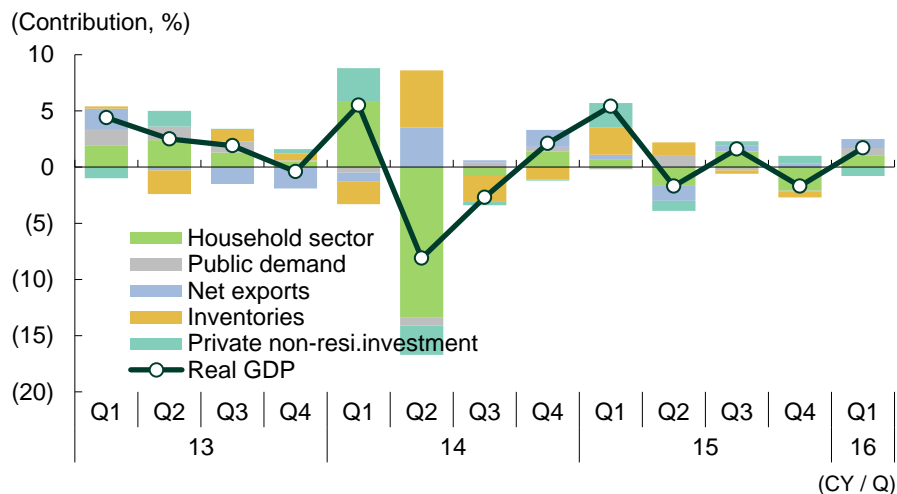
	Apr. 2001		Jul. 2007		Apr. 2016* ²	
AAA			•Wells Fargo Bank			
AA+	•UBS		•Bank of America •BNP Paribas •Citibank •UBS			
AA	•Barclays Bank •Crédit Agricole •Credit Suisse	•Deutsche Bank •JPMorgan Chase Bank •State Street Bank & Trust	•Banco Santander •Barclays Bank •HSBC Bank •ING Bank	•JPMorgan Chase 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	• SMBC • BTMU • Mizuho Bank	•Standard Chartered Bank •UniCredit	• BTMU	•JPMorgan Chase Bank
A	•Standard Chartered Bank				• SMBC •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 •Standard Chartered Bank •UBS
A-	• BTMU				•Banco Santander	•Barclays Bank
BBB+	• SMBC	• 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

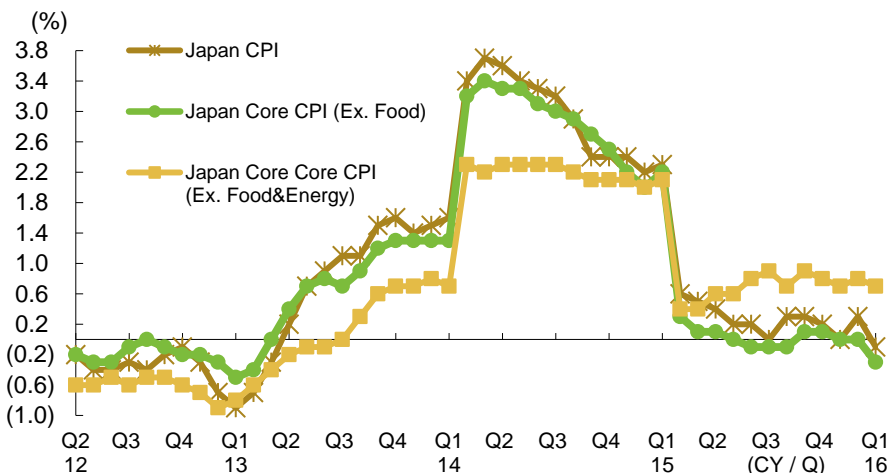
*2 As of May 13, 2016

Current Japanese economy

Real GDP growth rate (annualized QOQ change)*1



Consumer price index (YOY change)*3



*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

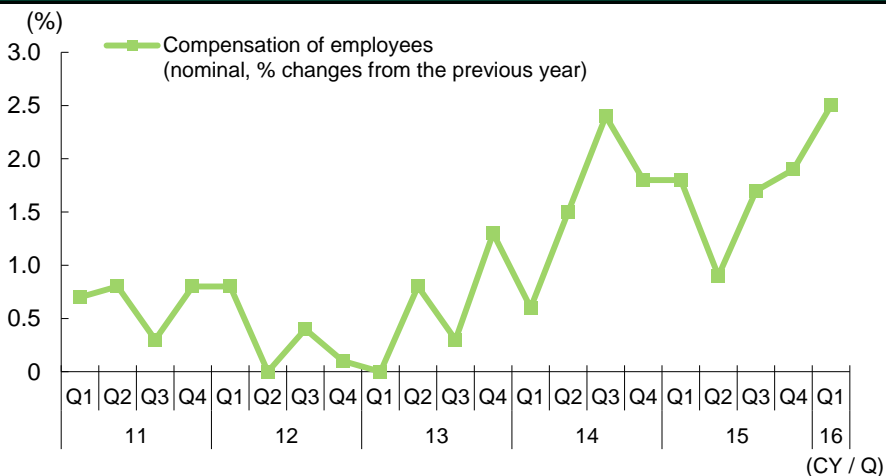
*3 Source: Statistics Bureau & SMBC Nikko. Core CPI: All items, less fresh foods. Core Core CPI: All items, less food (less alcoholic beverages) and energy

*4 Source: Cabinet Office

Economy watchers survey*2

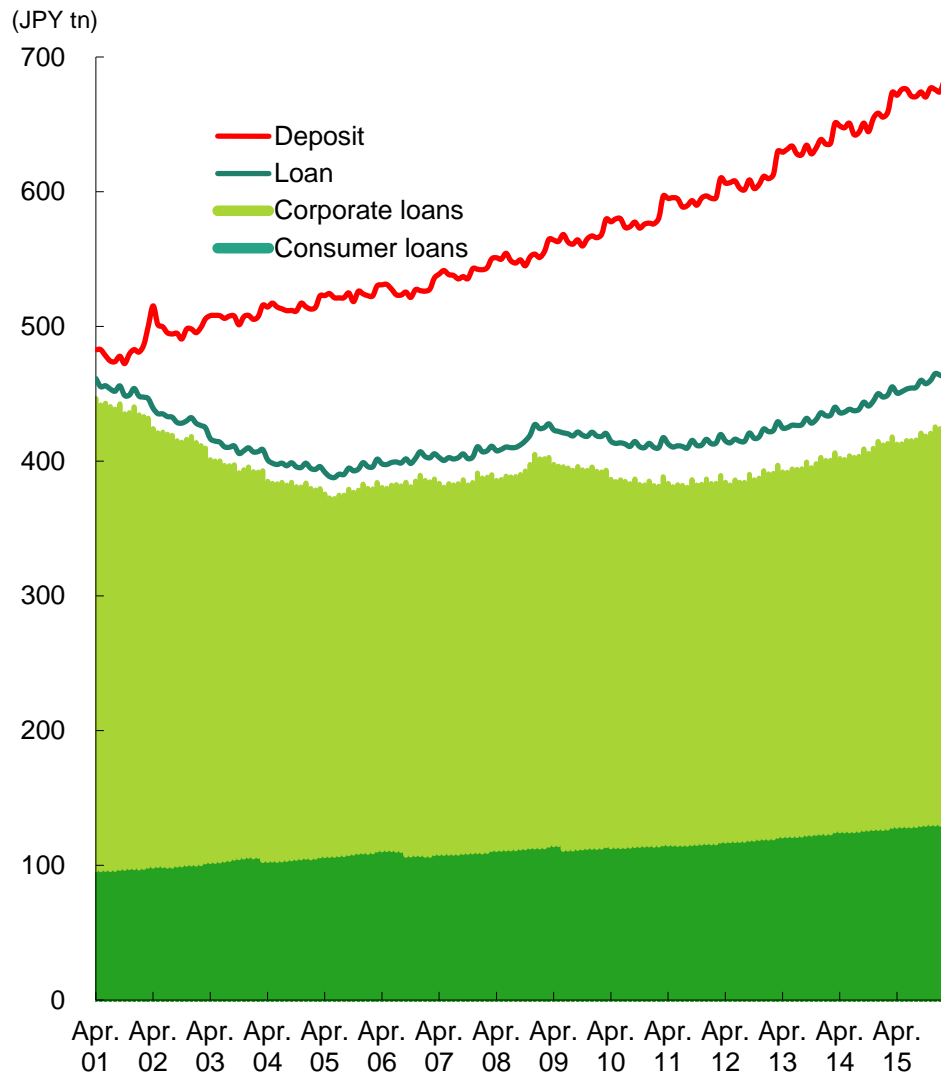


Compensation of employees*4

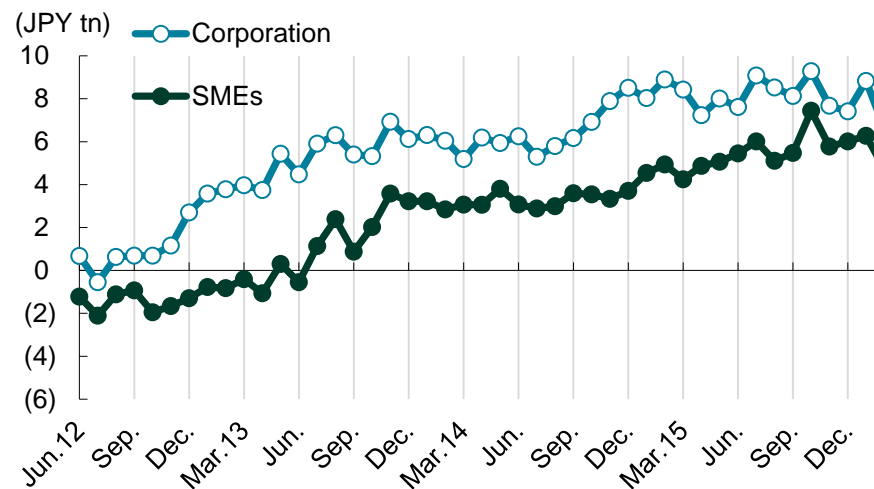


Trends of loan and deposit balance in Japan*1

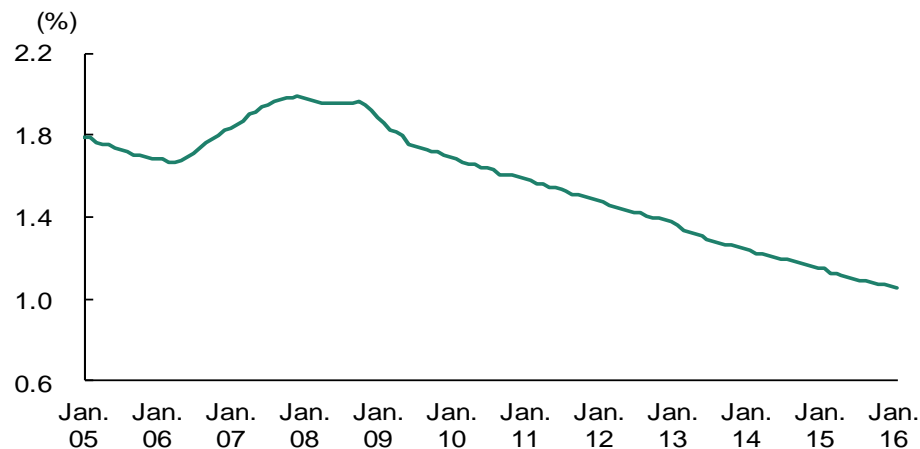
Loan and deposit balance of domestic banks



YOY increase/decrease of loan balance*2



Average loan spread of domestic banks*3



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

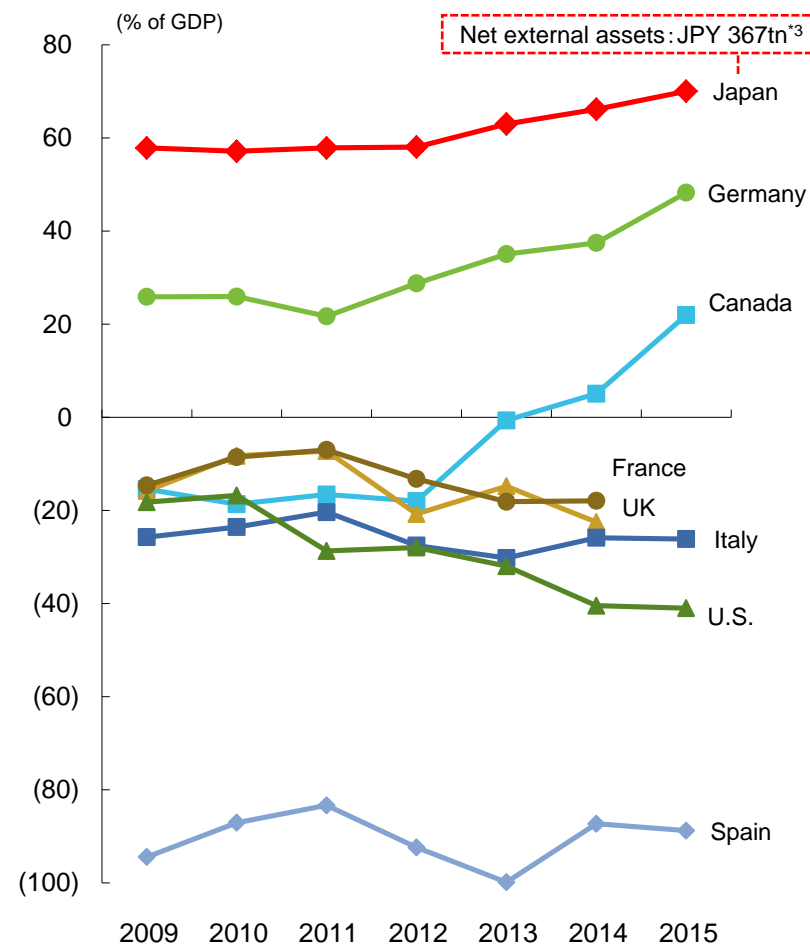
*2 Period end balance *3 Stock basis

Japanese national wealth

Balance sheet of Japan (as of Dec. 2014, JPY tn)*¹

Closing assets	9,684	Closing liabilities plus net worth	9,684
Households	2,727	Households	368
Financial assets	1,696	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	Net worth	3,109
Financial corporations	3,514	Households	2,359
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*²



*¹ Source: Cabinet Office

*² Source: IMF Stat. The figures shown in the graph are: from 2009 to 2014 for France and UK and from 2009 to 2015 for the other countries

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