

Small meeting with Outside Director

July, 2017

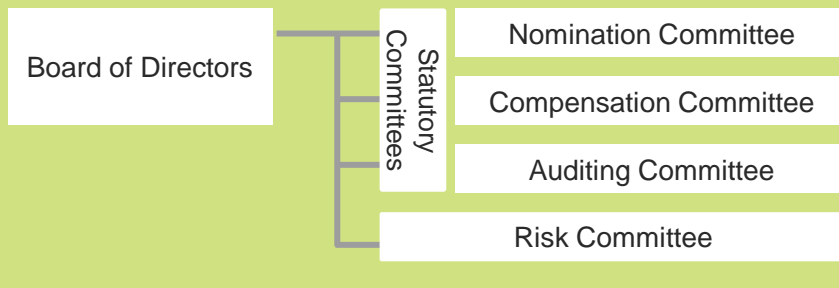
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Sumitomo Mitsui Financial Group, Inc.

Enhancement of government framework

- Enhance governance framework by transforming into a Company with Three Committees
- Revised the executive pay system that has a stronger link to financial results in order to ensure the management is well aligned with the shareholder perspective

New governance framework

Transforming into a Company with Three Committees



Supervisory

Execution

Objectives

- Establish standard G-SIFI governance framework
- Strengthen the supervisory function of the Board of Directors
- Expedite execution of operations

Review of the executive pay system

Objectives

- Provide more appropriate incentives for the Executives by strengthening linkage with SMFG's short-, medium-, and long-term performance
- Further align the interests of the Executives with those of shareholders, increase the weight of stock compensation, and enhance the shareholding of the Executives in SMFG

Introduction of New Stock Compensation Plans for Executives utilizing restricted stock

- Introduce compensation that is linked to financial targets of the medium-term management plan and to our stock performance
 - The Programme targets the variable compensation component corresponding with performance at 40% of remuneration
- Raise the ratio of stock-based compensation
 - The targeted ratio is 25% if paid at the standard levels, which shall be determined by corporate titles of the Executives
- Strengthen risk management through the introduction of a system for (a) partial deferral of bonuses and (b) reducing or returning compensation (Malus and Clawback)

Ref: Composition of the internal committee

◎ : Chairman ○ : Member

		Nomination Committee (1 inside director, 5 outside directors)	Compensation Committee (2 inside directors, 4 outside directors)	Auditing Committee (2 inside directors, 3 outside directors)	Risk Committee (1 inside director, 4 outside directors)
Masayuki Matsumoto	Outside director	○		◎	
Arthur M. Mitchell	Outside director	○	○		
Shozo Yamazaki	Outside director			○	○
Masaharu Kohno	Outside director	○			○
Yoshinobu Tsutsui	Outside director	◎	○		
Katsuyoshi Shinbo	Outside director		◎	○	
Eriko Sakurai	Outside director	○	○		
Koichi Miyata	Chairman of the Board	○	○		
Takeshi Kunibe	Director President		○		
Jun Ohta	Director Deputy President and Executive Officer				◎
Toshiyuki Teramoto	Director			○	
Toru Mikami	Director			○	
Hirohide Yamaguchi* ¹	Outside expert				○
Nobuyuki Kinoshita* ²	Outside expert				○

*1 Chairman of the Advisory Board of Nikko Research Center, Inc., former Deputy Governor of the Bank of Japan

*2 Senior Advisor of AFLAC

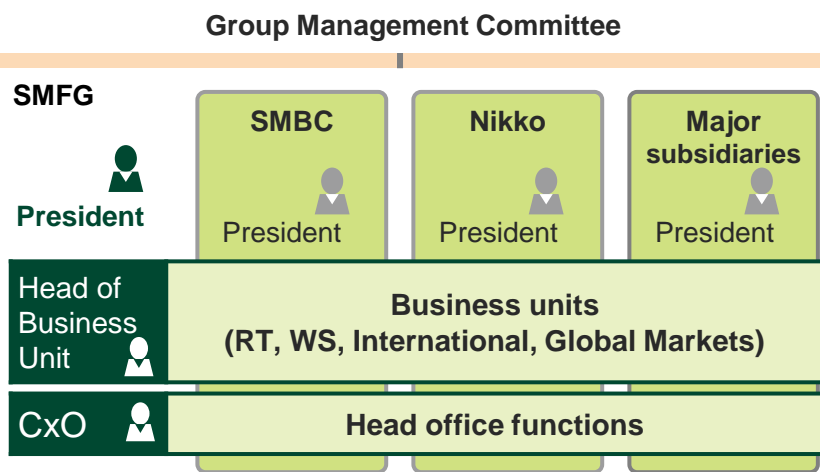
Management that maximizes business potential

– Introduced CxO system and Group-wide business units

- Introduced CxO system and Group-wide business units to maximize business potential for the Group on a global basis

New Group-wide operational structure

Introducing CxO system and Group-wide business units



Objectives

- Strengthen ability to support clients
- Optimize overall resource usage
- Sophisticate planning and management functions

Realizing business potential

Strengthen the ability to support clients

- Share strategies and client base
- Strengthen products and services
- Offer bank-securities integration services in all business units
- Develop a Group-wide client account plan
- Offer a full line up of services by the group companies

Optimize overall resource usage

- Share management resources and infrastructure
- Allocate resources efficiently and diligently
- Improve securities knowledge of bank marketing officers through personnel exchanges
- Reallocate RT marketing staffs

Sophisticate planning and management functions

- Share disciplinary methods
- Expedite decision-making
- Enhance personnel and payroll cost management group-wide
- Control and strategically allocate IT and digital investments

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

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

Definitions

- SMFG : Sumitomo Mitsui Financial Group
- SMBC : Sumitomo Mitsui Banking Corporation
- SMBC Trust : SMBC Trust Bank
- SMFL : Sumitomo Mitsui Finance and Leasing
- SMBC Nikko : SMBC Nikko Securities
- SMBC Friend : SMBC Friend Securities
- SMCC : Sumitomo Mitsui Card Company
- SMBCCF : SMBC Consumer Finance

Overview of the four business units

- Retail (RT) Business Unit
: Domestic retail and SME businesses
SMBC (RT), SMBC Nikko (RT), SMBC Friend, SMBC Trust (RT), SMCC, Cedyne, SMBCCF, others
- Wholesale (WS) Business Unit
: Domestic large/mid-size corporation business
SMBC (WS), SMBC Nikko (WS), SMBC Trust (WS), SMFL (Domestic), others
- International (Inter.) Business Unit :
SMBC (Inter.), SMBC Nikko (Inter.), SMBC Trust (Inter.), SMFL (Inter.), others
- Global Markets (GM) Business Unit
: Market / Treasury related businesses
SMBC (Treasury), SMBC Nikko (Product), others