

Fixed Income Investor Presentation

November 2017

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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Definitions

● Consolidated	: SMFG (consolidated)	● SMFG	: Sumitomo Mitsui Financial Group
● Non-consolidated	: SMBC (non-consolidated)	● 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
		● SMAM	: Sumitomo Mitsui Asset Management

Results

- 1H, FY3/2018 financial results
- Balance sheet and loan balance
- Loans
- Asset quality
- Securities portfolio

Funding & TLAC

- Foreign currency funding
- Issuance summary
- TLAC requirements
- Credit ratings of G-SIBs
- Capital

1H, FY3/2018 financial results

Income statement

	(JPY bn)	1H, FY3/18	YOY change
Consolidated	Consolidated gross profit	1,465.8	+48.3
	General and administrative expenses	(894.6)	(12.6)
	Overhead ratio	61.0%	(1.2)%
	Equity in gains (losses) of affiliates	30.2	+17.5
	Consolidated net business profit ^{*1}	601.3	+53.2
	Total credit cost	(34.1)	+20.7
	Gains (losses) on stocks	51.5	+34.0
	Ordinary profit	615.5	+101.3
	Profit attributable to owners of parent	420.2	+61.0
	ROE	10.1%	+0.7%
Non-consolidated	Gross banking profit	709.1 ^{*2}	(204.9)
	Expenses ^{*3}	(403.8)	(1.8)
	Banking profit ^{*1}	305.3	(206.7)
	Total credit cost	25.5	+17.5
	Ordinary profit	368.5	(111.8)
	Net income	284.5	(113.6)

YOY change

- **Consolidated gross profit** increased mainly due to the strong performance of investment product sales at SMBC Nikko and continuous growth of the credit card and overseas businesses
- **General and Administrative expenses** increased along with the top-line growth of SMBC Nikko and SMCC. However, excluding the effect of the yen depreciation, expenses decreased slightly as a result of the group-wide cost control
- **Equity in gains (losses) of affiliates** increased because The Bank of East Asia recorded gains on sale of its subsidiary
- **Total credit cost** decreased mainly because of the reversal of credit cost from large borrowers at SMBC
- **Gains (losses) on stocks** increased mainly due to gains on sales of strategic shareholdings (approx. JPY 40 bn)

Contribution of subsidiaries to Profit attributable to owners of parent

(JPY bn)	1H, FY3/18	YOY change	(JPY bn)	1H, FY3/18	YOY change
SMBC Nikko ^{*4}	28	+7	SMCC	6	(0)
SMBCCF	26	(2)	SMAM	1	+1
SMFL	17	+2	SMBC Trust	(4)	+4
Cedyna	13	(3)	BEA ^{*5}	17	+12

- Reduction of strategic shareholdings (book value)
 - Reduction results for the 1H: approx. JPY 40 bn
 - Consent of sales from clients (outstanding) as of Sep. 2017: approx. JPY 120 bn

*1 Before provision for general reserve for possible loan losses

*2 Includes JPY 200 bn of dividends from SMBC Nikko associated with making SMBC Nikko a direct subsidiary of SMFG *3 Excludes non-recurring losses

*4 Excludes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG) *5 The Bank of East Asia

Balance sheet and loan balance

Balance sheet (as of Sep. 30, 2017)

(Consolidated)

Total assets : JPY 204.3 tn

Cash and due from banks
JPY 49.3 tn

Loans
JPY 81.2 tn

Securities
JPY 24.4 tn

JGB
JPY 8.8 tn

Other assets
JPY 49.4 tn

Deposits,
negotiable
certificates
of deposits (NCD)
JPY 132.8 tn

Other liabilities
JPY 59.8 tn

Total net assets
JPY 11.7 tn

Total stockholders' equity
JPY 8.4 tn

Loan to deposit ratio

61.1 %

Risk-weighted assets

JPY 69.9 tn

ROE (Denominator: Total stockholders' equity)

10.1 %*1

Loan balance

(Non-consolidated)

(JPY tn)



*1 Annualized

*2 Balance since Mar. 2017 includes balance of SMBC Canada Branch which was newly opened in Nov. 2016 and took over business of wholly-owned subsidiary SMBC of Canada

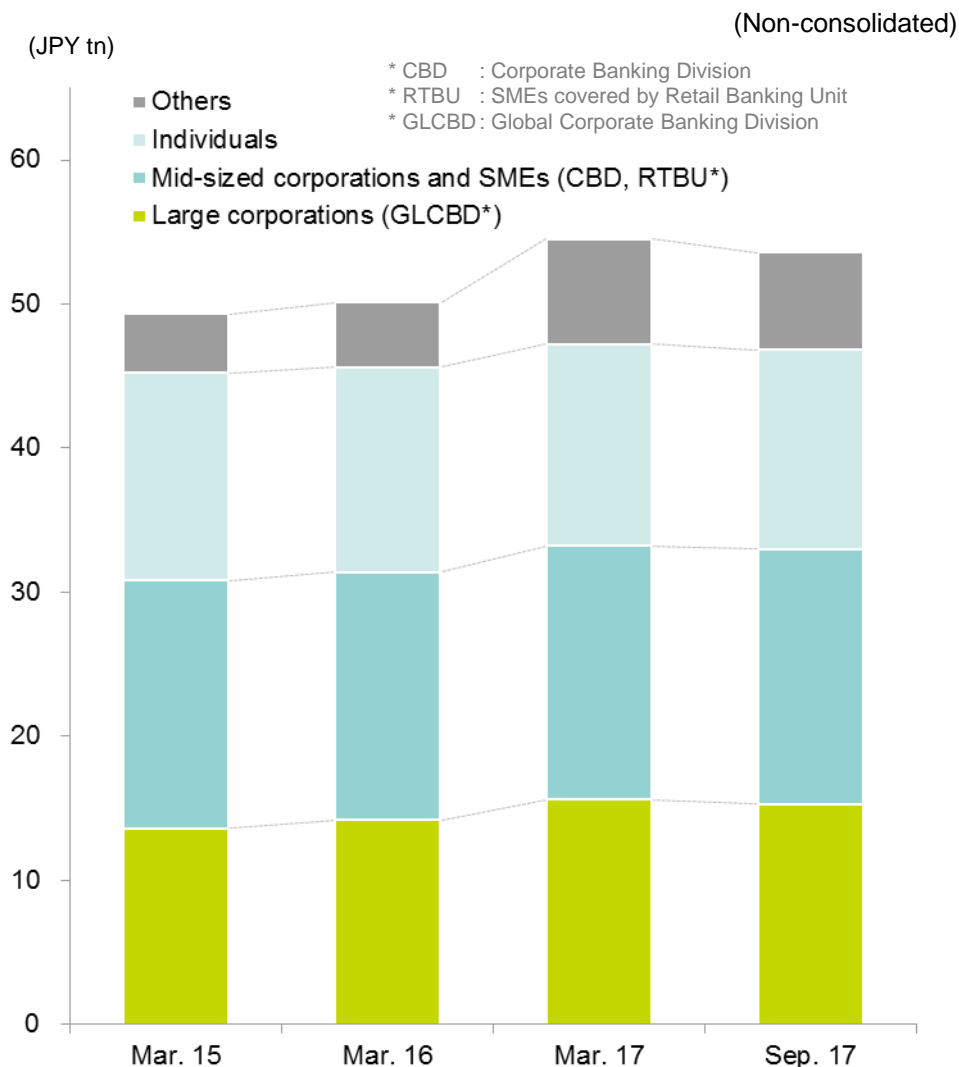
*3 Exchange rates using TTM as of Mar. 2017: USD 1.00 = JPY 112.19, EUR 1.00 = JPY 119.84 and Sep. 2017: USD 1.00 = JPY 112.74, EUR 1.00 = JPY 132.88

*4 Of which loans to the Japanese government, etc. and SMFG: Mar. 17: JPY 3.5 tn; Sep. 17: JPY 3.1 tn

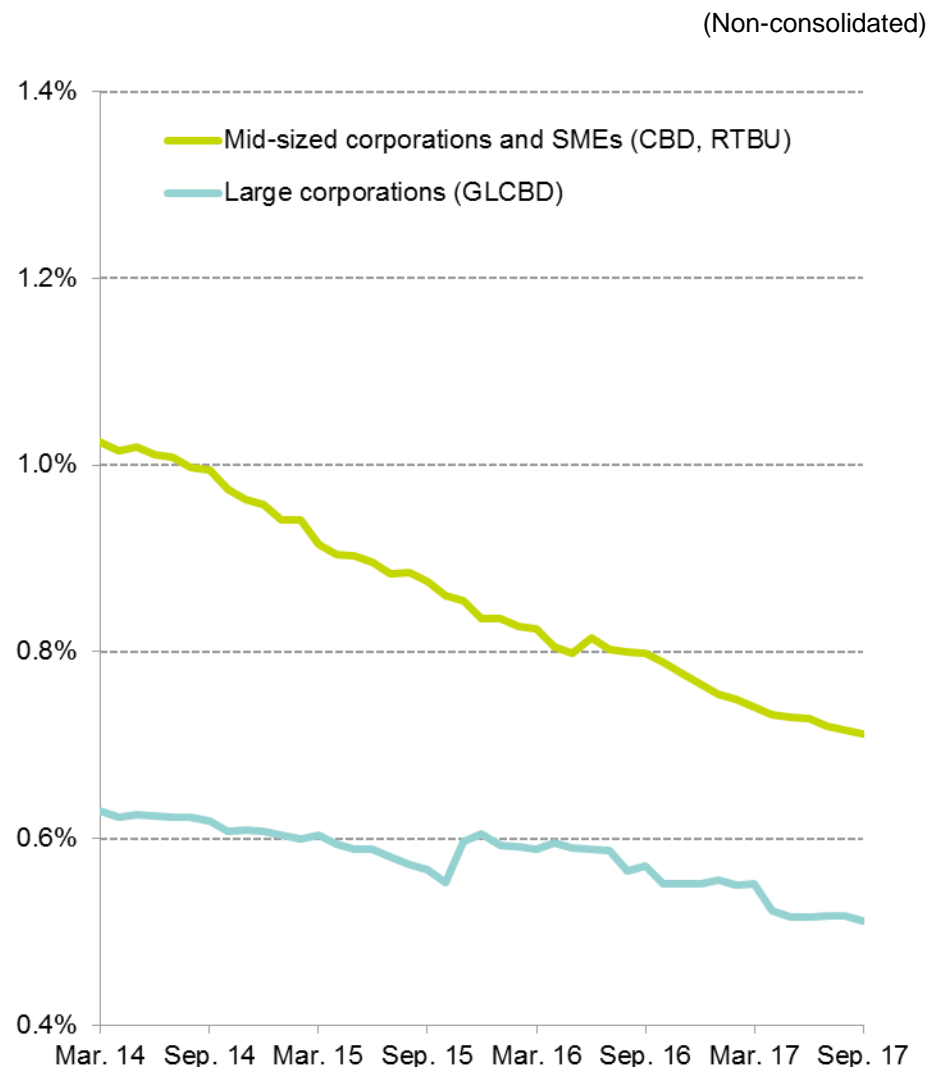


Domestic loans

Balance^{*1}



Spread^{*1, 2}



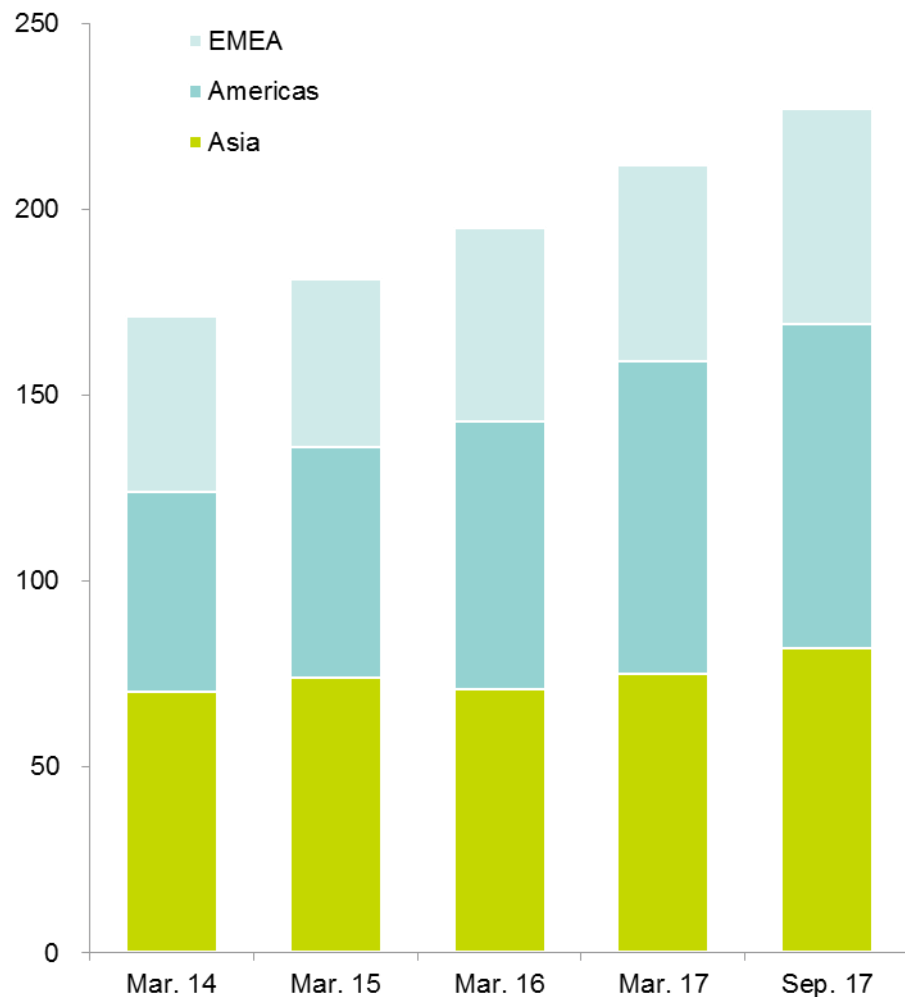
*1 Managerial accounting basis

*2 Monthly average loan spread of existing loans

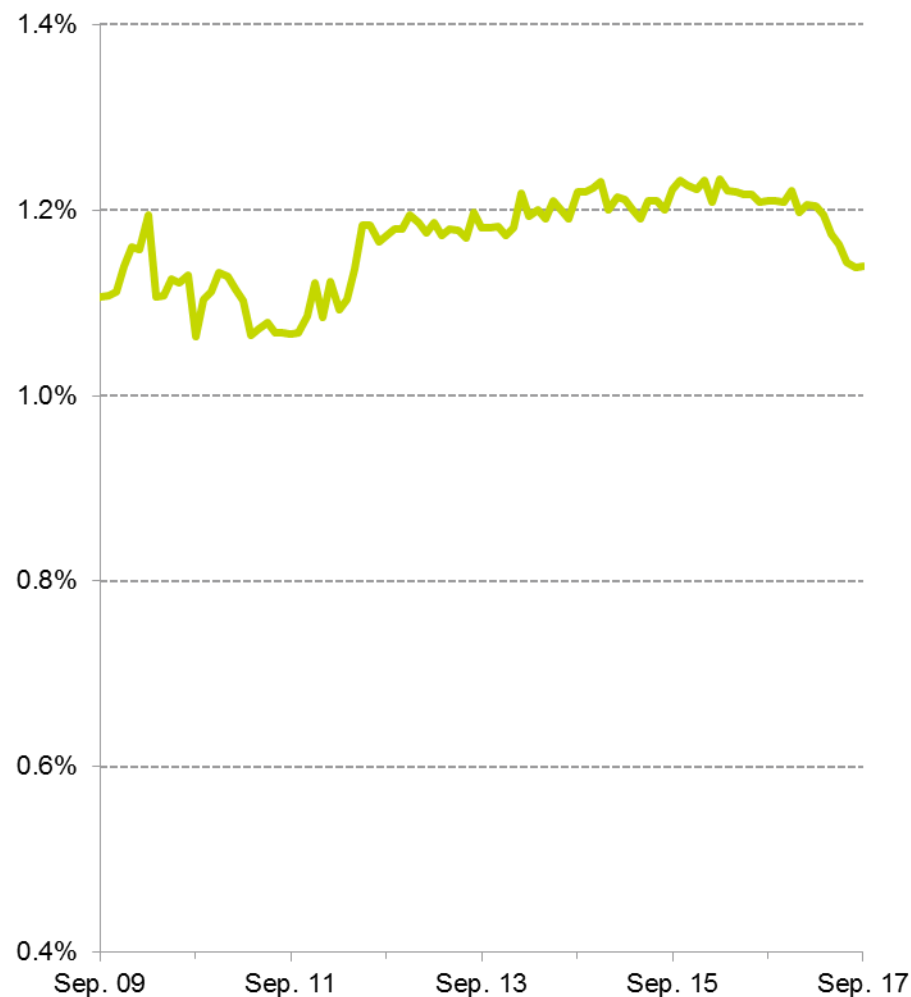
Overseas loans

Balance^{*1,2}

(USD bn)



Spread^{*3}



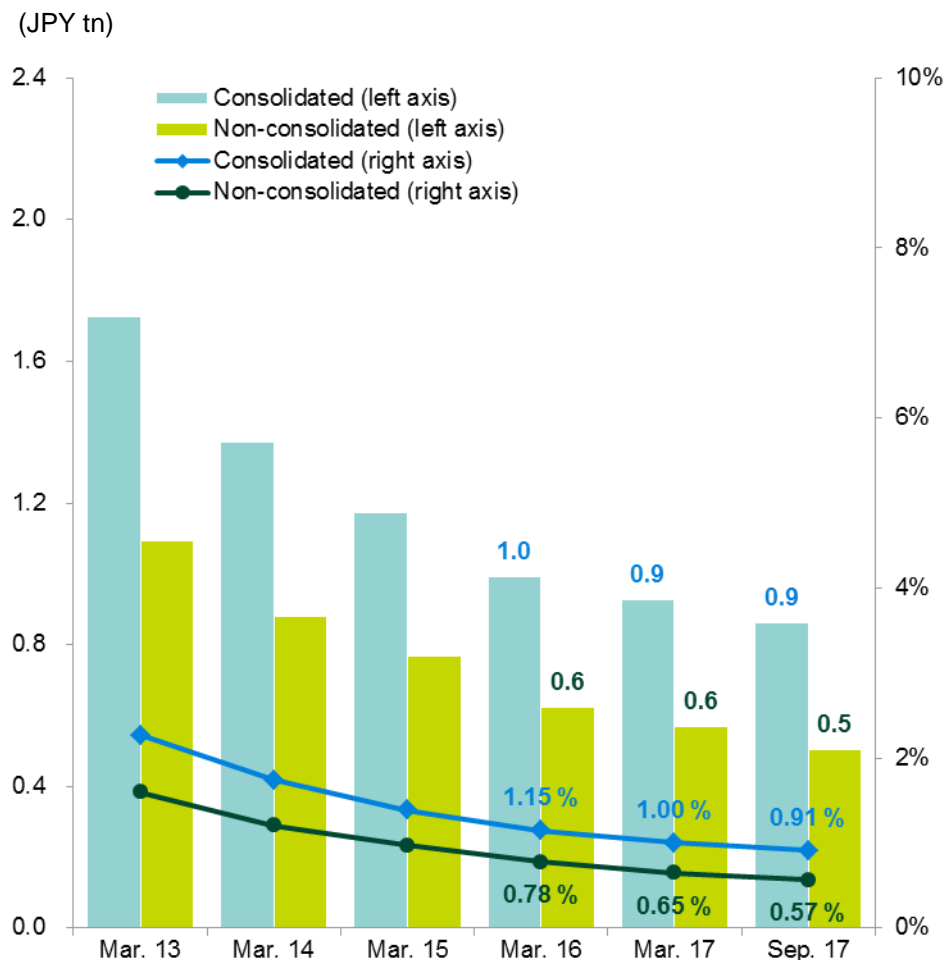
*1 Includes trade bills. Managerial accounting basis, translated into USD at respective period-end exchange rates. Sum of SMBC, SMBC Europe and SMBC (China)

*2 Balance since Mar. 2017 includes balance of SMBC Canada Branch which was newly opened in Nov. 2016 and took over business of wholly-owned subsidiary SMBC of Canada

*3 Managerial accounting basis. Average loan spread of existing loans on a monthly basis. Sum of SMBC, SMBC Europe and SMBC (China)

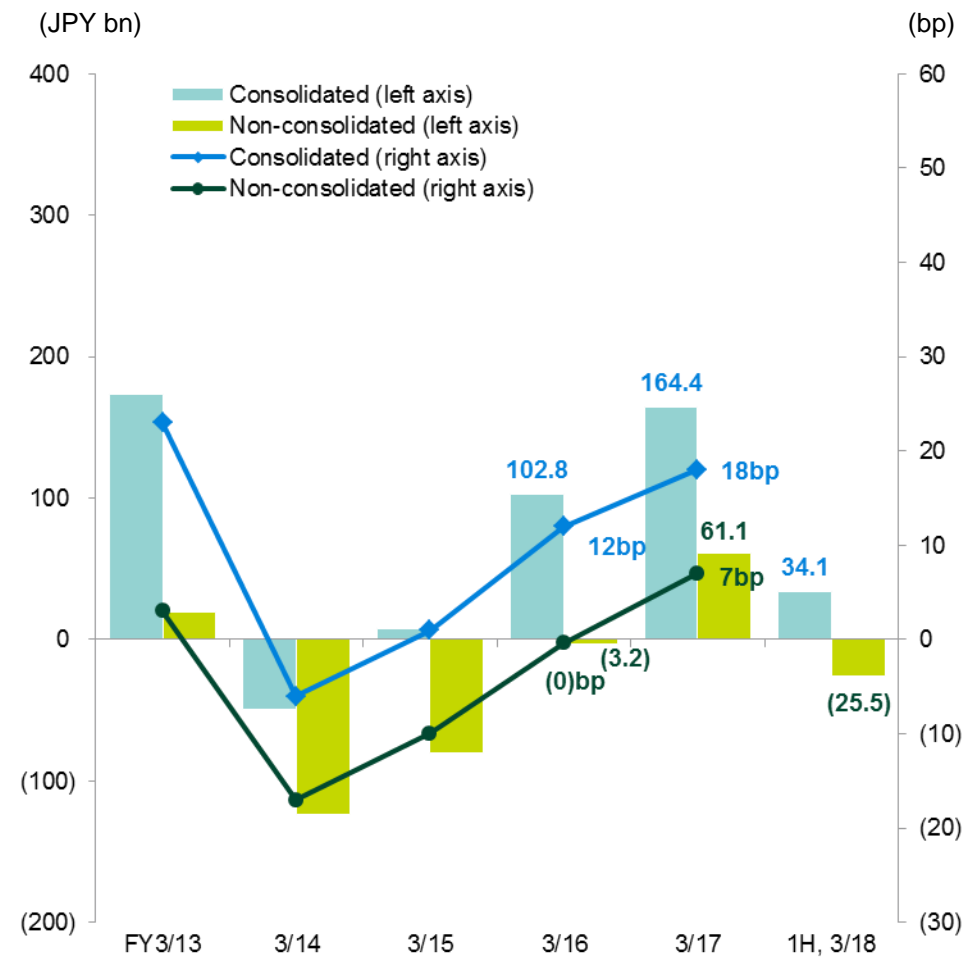
Asset quality – solid loan portfolio

NPLs and NPL ratio*1



Coverage ratio*3	Consolidated	77.68%	76.12%
	Non-consolidated	85.46%	84.62%

Total credit cost and total credit cost ratio*2



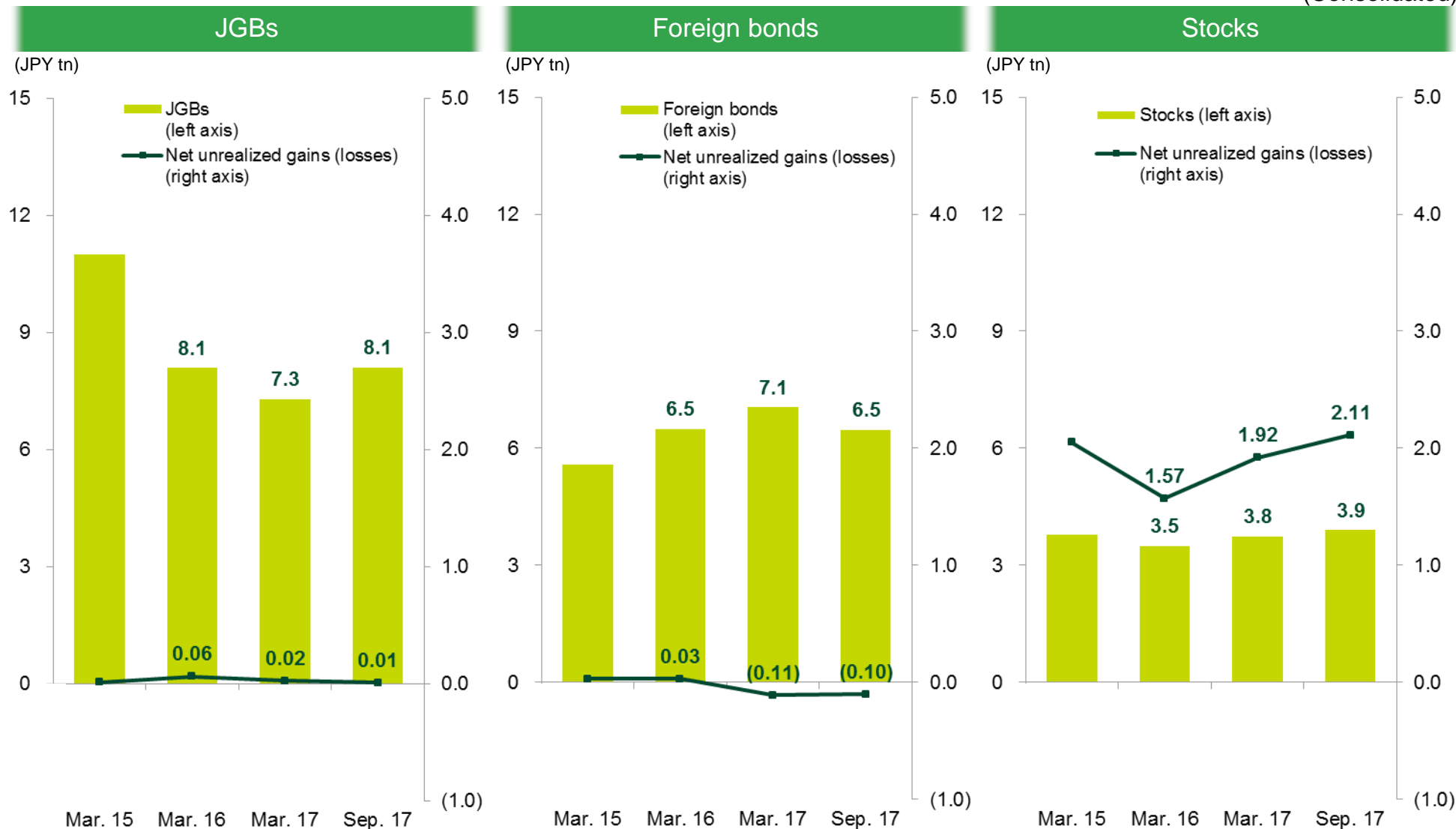
*1 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

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

*3 Ratio of the collateral, guarantees and specific and general reserves to total NPLs

Securities classified as other securities*

(Consolidated)

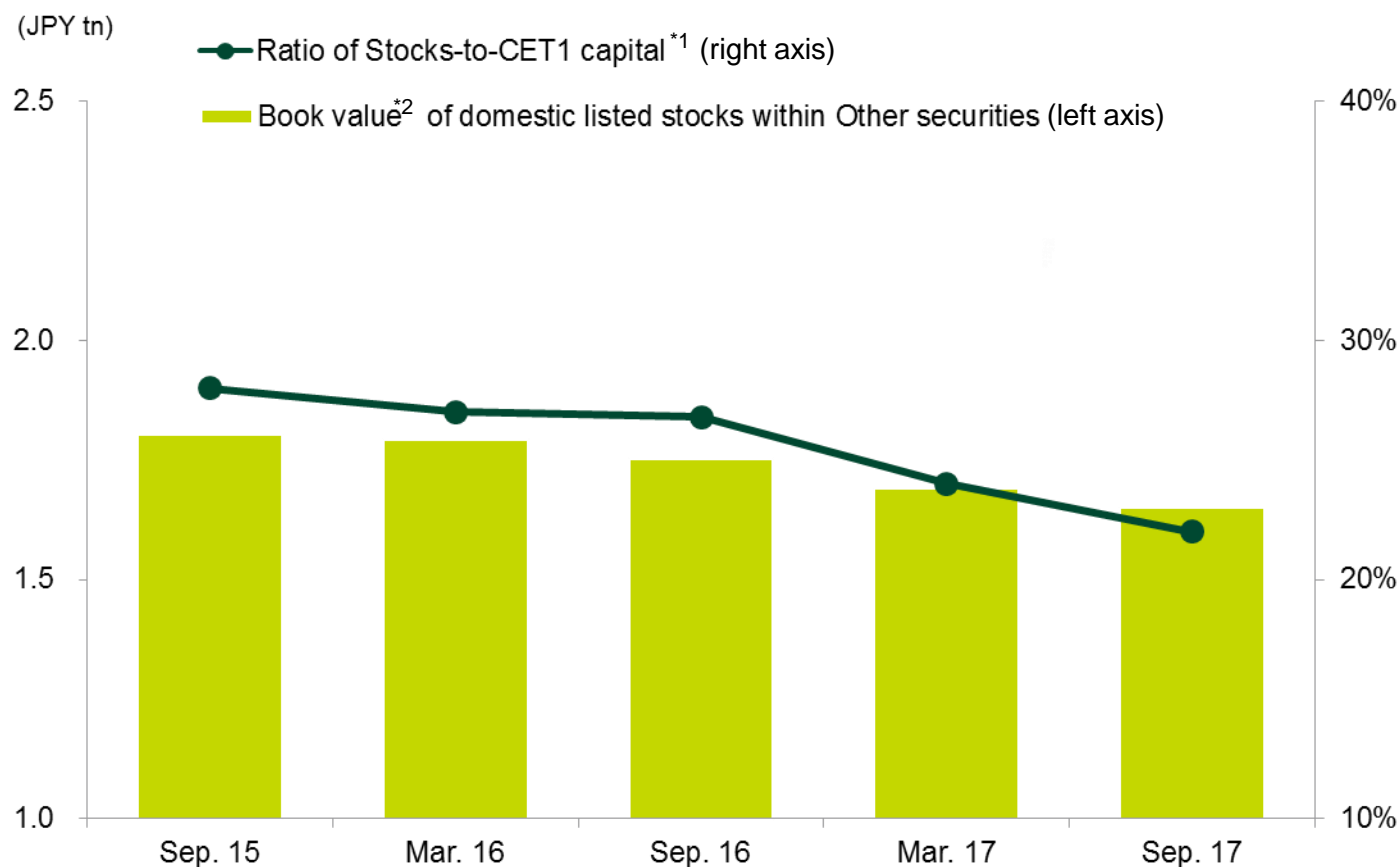


* Includes negotiable certificates of deposit classified as "Cash and due from banks," and beneficiary claims on loan trust classified as "Monetary claims bought," in addition to "Securities" stated in the consolidated balance sheets.

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 (Consolidated basis)



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

^{*2} Same meaning as acquisition cost

Results

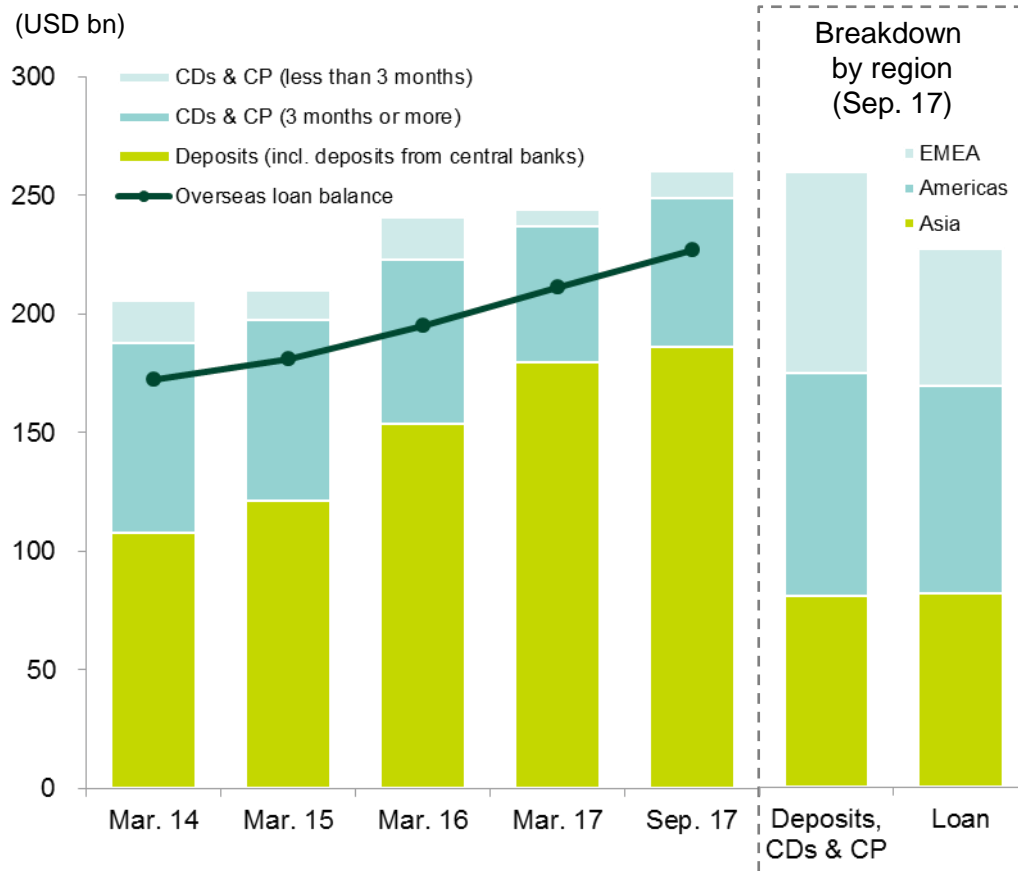
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Funding & TLAC

- Foreign currency funding
- Issuance summary
- TLAC requirements
- Credit ratings of G-SIBs
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Foreign currency funding

SMBC overseas deposit & loan balance*¹

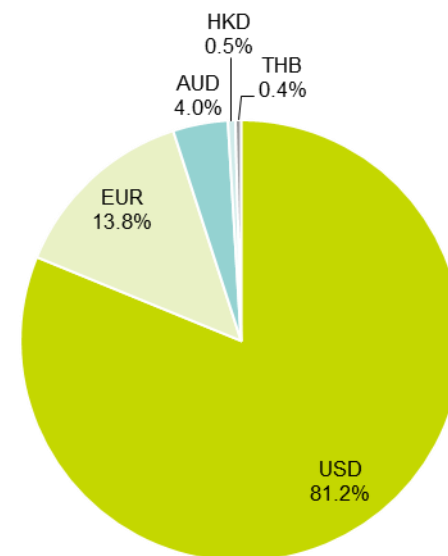


Foreign currency senior bonds outstanding (USD bn) * ²	32.9	44.1	46.6
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SMFG / SMBC long-term capital markets funding*³

(Outstanding amount)

Total: USD 55.4 bn



Outstanding amount		
USD	45.0 bn	--
EUR	6.6 bn	= USD 7.7 bn
AUD	2.9 bn	= USD 2.2 bn
HKD	2.4 bn	= USD 0.3 bn
THB	7.5 bn	= USD 0.2 bn

*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 Bonds issued by SMFG and SMBC

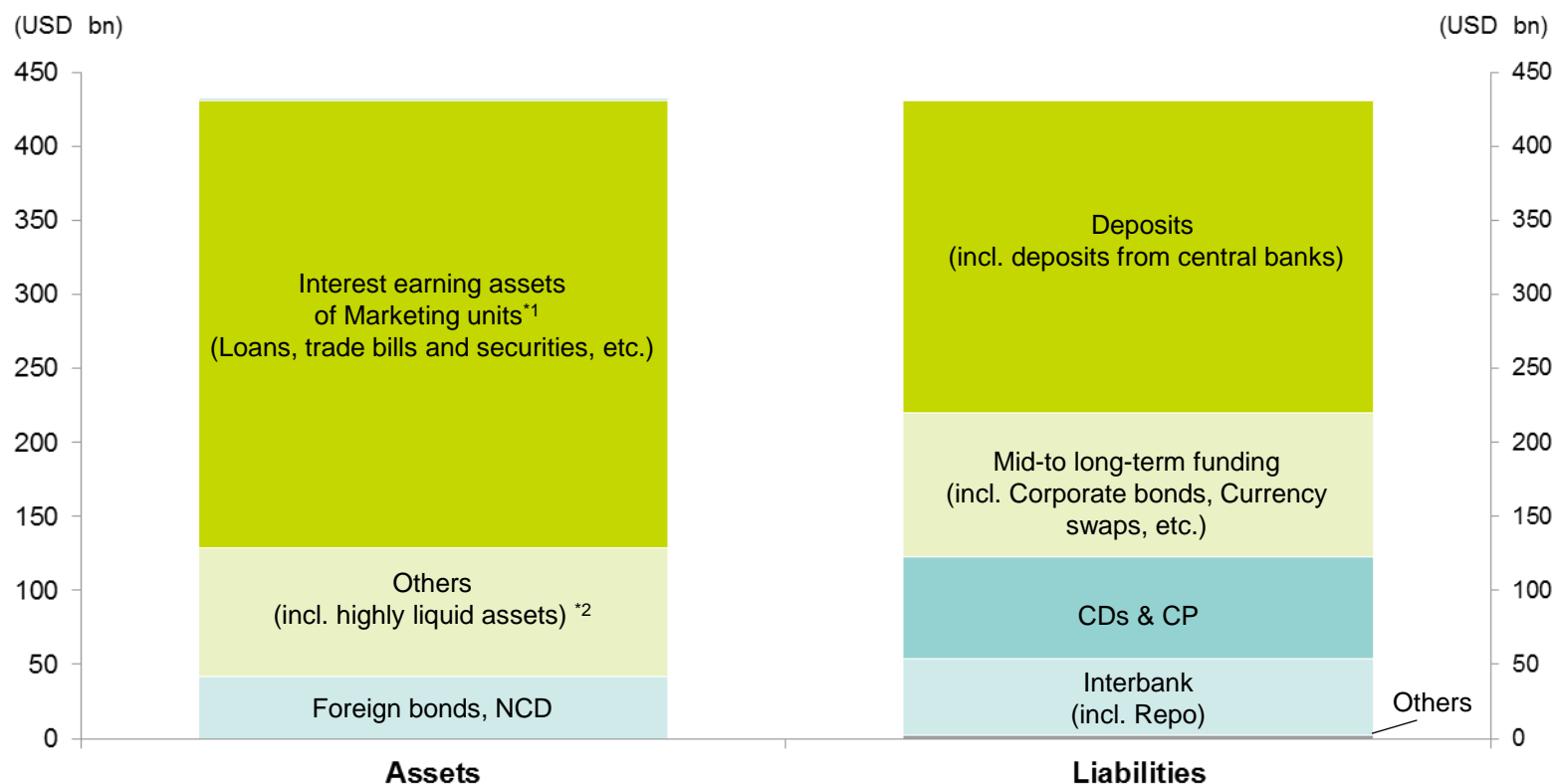
*³ Excludes JPY funding, certificate of deposits and transferable deposits. Among all bonds priced by Oct. 31, 2017, only includes issuance with original maturity of two years or more as of Oct. 31, 2017. Translated into USD at the exchange rates as of Oct. 31, 2017

Foreign currency assets and funding

Customer deposit covers approximately two-thirds of non-JPY interest earning assets of Marketing units^{*1}

Non-JPY interest earning assets of Marketing units are fully funded by non-JPY customer deposit and mid- to long-term funding (corporate bonds, currency swaps, etc.)

Non-JPY balance sheet items (as of Sep. 30, 2017)

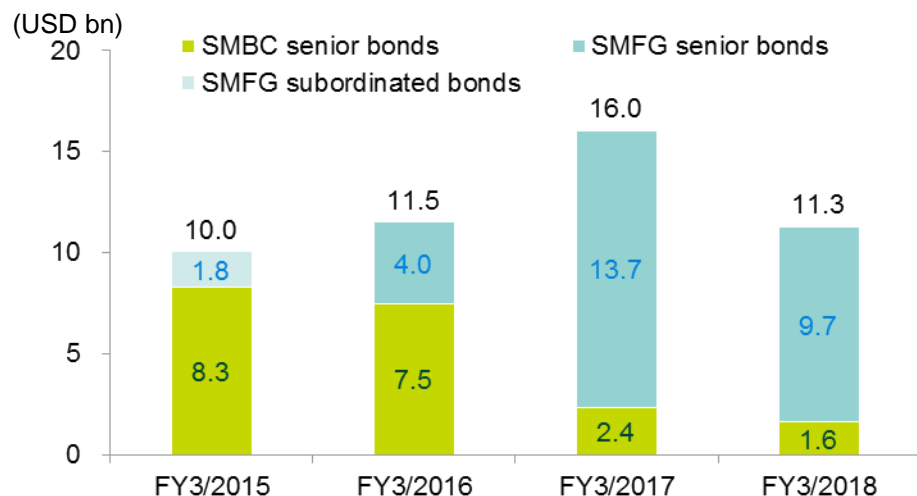


^{*1} Sum of loans, trade bills, and securities of Marketing units (Wholesale Banking Unit, Retail Banking Unit and International Banking Unit of SMBC). Sum of SMBC + SMBC Europe + SMBC (China)

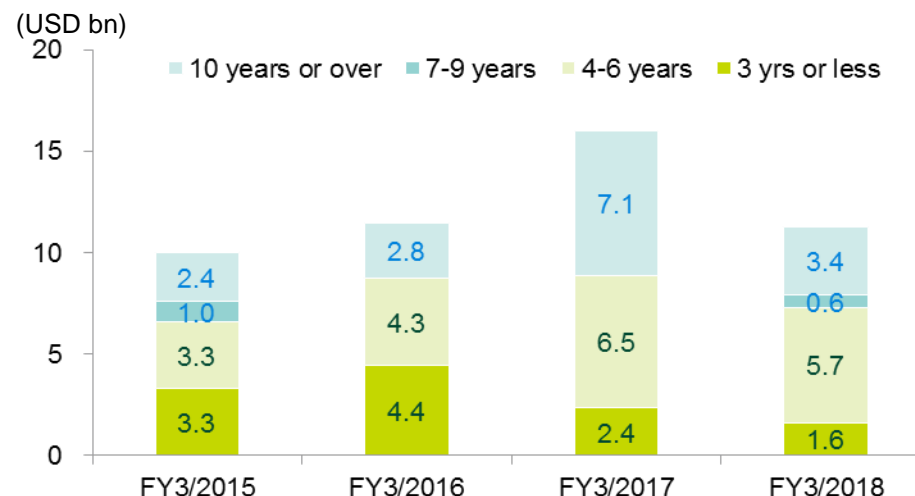
^{*2} Deposit placed with central banks, etc.

Issuance summary

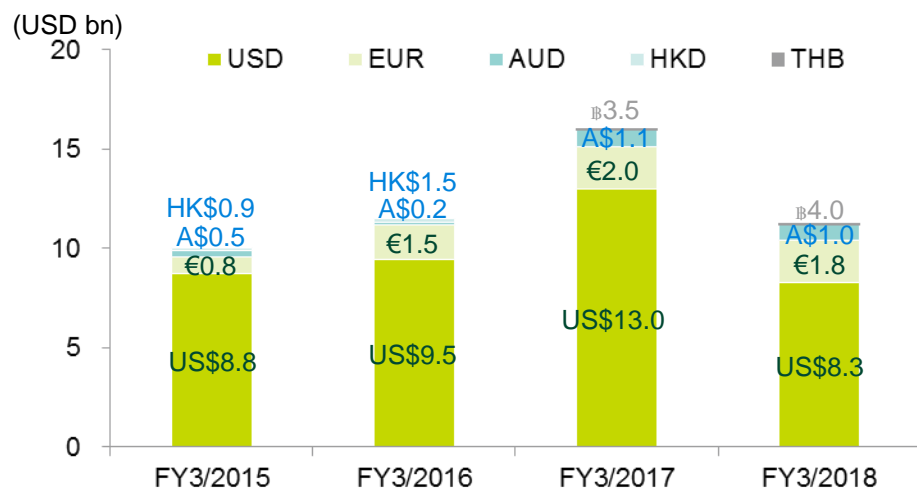
By entity/security type*



By term*



By currency*

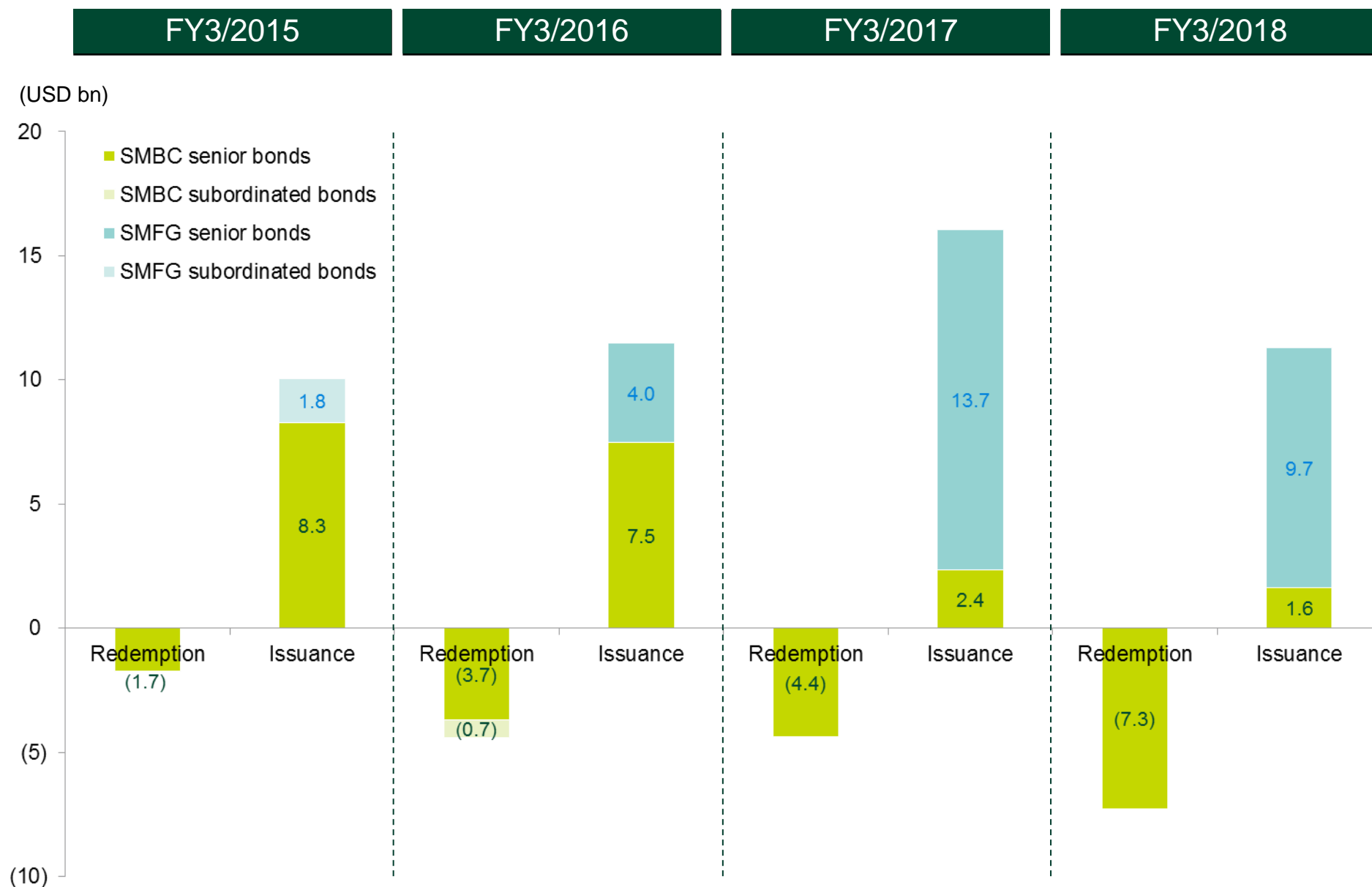


Recent deals (Senior unsecured)

- SMFG/USD
 - Oct. 18, 2017 / USD2.5bn / 5y FIX at 2.778%, 5y FRN at 3ML+74bp, 10y FIX at 3.352%
- SMBC/USD
 - Oct. 18, 2017 / USD1.5bn / 2y FIX at 2.092%, 2y FRN at 3ML+31bp
 - Oct. 20, 2015 / USD500mn / 5y FIX at 2.45% / Green Bonds
- SMFG/EUR
 - Oct. 11, 2017 / EUR500mn / 7y FIX at 0.934% / Green Bonds
 - Jun. 14, 2017 / EUR1.25bn / 5y FRN at 3ME+45bp, 10y FIX at 1.413%
- SMFG/Others
 - Sep. 7, 2017 / SMFG / AUD750mn / 5.5y FIX at 3.604%, 5.5y FRN at BBSW+120bp
 - Mar. 2, 2017 / SMFG / USD470mn / 30NC10 Per 5y FIX at 4.30% / Formosa

* Excludes JPY funding, certificate of deposits and transferable deposits. Among all bonds priced by Oct. 31, 2017, only includes issuance with original maturity of two years or more as of Oct. 31, 2017. Translated at the exchange rate as of Mar. 31, 2015 (FY3/2015), as of Mar. 31, 2016 (FY3/2016), as of Mar. 31, 2017 (FY3/2017), and as of Oct. 31, 2017 (FY3/2018)

■ Issuance & Redemptions (Senior unsecured)



* Excludes JPY funding, certificate of deposits and transferable deposits. All redemptions were at maturity other than for callable bonds, which were redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Among all bonds priced by Oct. 31, 2017, only includes issuance with original maturity of two years or more as of Oct. 31, 2017. Translated at the exchange rate as of Mar. 31, 2015 (FY3/2015), as of Mar. 31, 2016 (FY3/2016), as of Mar. 31, 2017 (FY3/2017), and as of Oct. 31, 2017 (FY3/2018)

TLAC requirements*1

TLAC and capital buffer requirements for SMFG

Minimum external TLAC requirements

	2019 - 2021	After 2022
Minimum external TLAC requirements (RWA basis)	16%	18%
Plus capital buffers*1	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, we expect 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

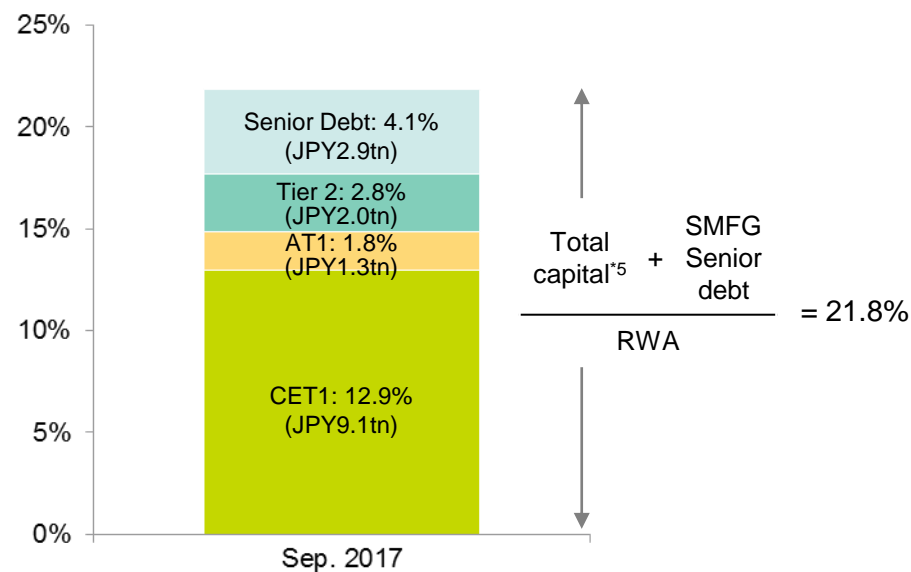
Meeting TLAC requirement

Issuance amount of SMFG senior unsecured debt*2

(JPY tn/USD bn)	FY3/2017	FY3/2018*3	FY3/2018*3
		1H, FY3/2018	
Issuance amount through the period	¥1.6 / \$14.4	¥0.8 / \$7.1	¥1.2 / \$10.3
Amount outstanding at period end	¥2.1 / \$18.4	¥2.9 / \$25.8	¥3.3 / \$28.9

Total capital plus SMFG senior debt to RWA*4

(Consolidated)



*1 Excludes countercyclical buffer. As for the G-SIB buffer, SMFG was allocated to bucket 1 (1.0%) according to the list published by the FSB in Nov. 2017

*2 Translated at the exchange rate as of Mar. 31, 2017 (FY3/2017), as of Sep. 29, 2017 (1H, FY3/2018) and as of Oct. 31, 2017 (FY3/2018 YTD)

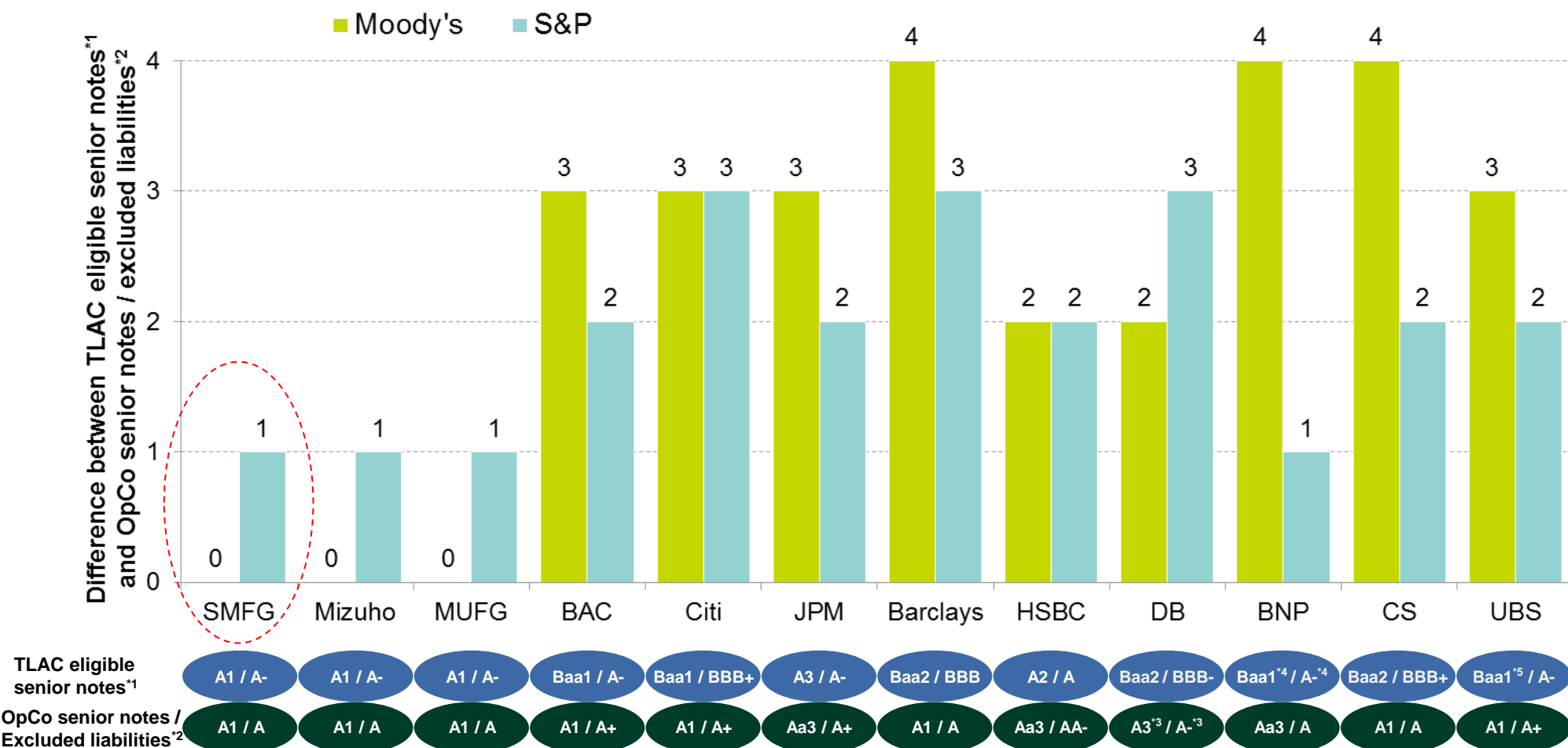
*3 Excludes Long-term borrowings executed in 2H, FY3/2018

*4 This figure is only a simple calculation shown therein and doesn't indicate the actual TLAC ratio on any implementation date

*5 Transitional basis. We expect the calculation for TLAC ratio, when the TLAC requirements in Japan are finalized, will differ from the one for total capital ratio. For example, some items in total capital will not be included in TLAC capital and vice versa

Credit ratings of G-SIBs

Credit ratings of selected G-SIBs (as of Nov. 29, 2017)



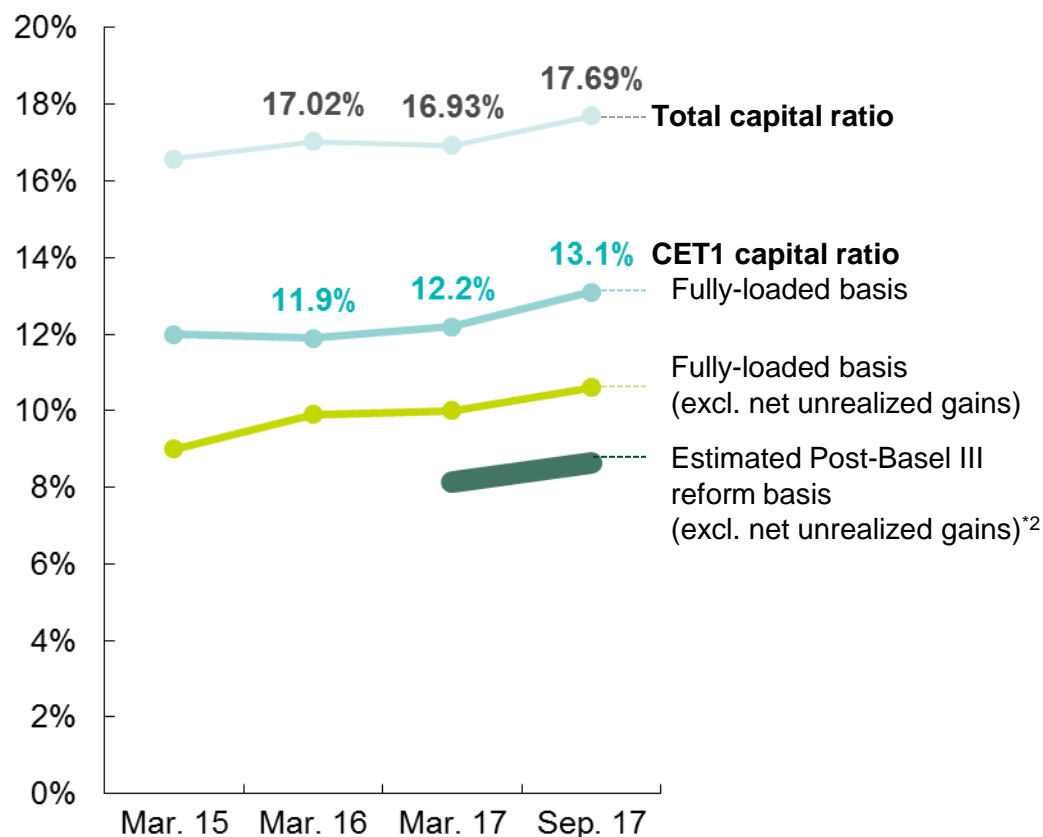
^{*1} TLAC eligible senior unsecured note ratings ^{*2} Ratings of OpCo senior unsecured notes except DB

^{*3} Long-term deposit rating for Moody's and Issuer Credit Rating for S&P

^{*4} Senior non-preferred rating

^{*5} BACKED senior unsecured rating of UBS Group Funding Jersey guaranteed by UBS Group AG

Capital ratios^{*1}



Risk-weighted assets (RWAs)	JPY 65.9 tn	JPY 70.6 tn	JPY 69.9 tn
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^{*1} Transitional basis unless otherwise indicated

^{*2} CET1: excludes net unrealized gains on other securities.

RWA: reflects an assumed increase in RWA of approx. 25% - 30% compared to current levels based on our current expectations of post-Basel III reforms, including a capital floor of 70% - 72.5%, and excludes RWA associated with unrealized gains on other securities. Timing and content of post-Basel III reforms is uncertain

^{*3} Subject to regulatory approval and other conditions

Capital strategy

Tier 2 capital	JPY 2.0 tn (2.8%) (as of Sep. 17)	<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
AT 1 capital	JPY 1.3 tn (1.8%) (as of Sep. 17)	

CET 1 capital	<ul style="list-style-type: none">● CET 1 capital ratio target (Estimated Post-Basel III reforms basis): 10%● Maintain capital in line with likely raised requirement● CET 1 capital ratio improvement through reorganization of group operations*³<ul style="list-style-type: none">● Turning Kansai Urban Banking Corporation and THE MINATO BANK to equity method affiliates● Turning SMFL to an equity method affiliate
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Recent deals (Subordinated)

- SMFG/Tier 2 capital/JPY
 - Sep. 12, 2016 / JPY100bn / 10NC5 first 5yrs at 0.32%, thereafter 5y MS+36bp, 10y FIX at 0.545% / Retail
- SMFG/Tier 2 capital/USD
 - Apr. 2, 2014 / USD1.75bn / 10y FIX at 4.436%
- SMFG/AT1 capital/JPY
 - Jan. 25, 2017 / JPY150bn / PerpNC10 first 10yrs at 1.39%, thereafter 6M¥L+120bp

Appendix

SMFG / SMBC overview*1

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 6.4 tn / USD 56.5 bn (As of Oct. 31, 2017)
Total assets	JPY 204tn / USD 1,812 bn
Total capital ratio (Basel III transitional basis)	17.69%
CET1 ratio (Basel III fully-loaded basis)	13.1%
NPL ratio	0.91% (As of Sep. 30, 2017)
Ratings (Moody's / S&P)*2	A1 / A-

Non-consolidated

Total assets	JPY 166 tn / USD 1,475 bn
Loans	JPY 76 tn / USD 676 bn
Deposits*3	JPY 107 tn / USD 948 bn
NPL ratio	0.57% (As of Sep. 30, 2017)
Ratings (Moody's / S&P)*2	A1 / A

Profitability

		FY3/17	1H, FY3/18
Consolidated	Consolidated gross profit	JPY 2,921 bn USD 26.0 bn	JPY 1,466 bn USD 13.0 bn
	Consolidated net business profit	JPY 1,133 bn USD 10.1 bn	JPY 601 bn USD 5.3 bn
	Profit attributable to owners of parent	JPY 707 bn USD 6.3 bn	JPY 420 bn USD 3.7 bn
Non-consolidated	Gross banking profit	JPY 1,664 bn USD 14.8 bn	JPY 709 bn USD 6.3 bn
	Banking profit*4	JPY 847 bn USD 7.5 bn	JPY 305 bn USD 2.7 bn
	Net income	JPY 682 bn USD 6.1 bn	JPY 284 bn USD 2.5 bn

SMBC's business franchise

- Core operating entity within the SMFG franchise
- Heritage dating back more than 400 years
- **Approx. 43 million** retail customer deposit accounts
- **Approx. 84 thousand** domestic corporate loan clients
- **506** domestic branches
- **Over 126** overseas franchises*5

(As of Sep. 30, 2017)

*1 Exchange rate for as of Mar. 31, 2017 is USD 1.00 = JPY 112.19, as of Sep. 30, 2017 is USD 1.00 = JPY 112.74 and as of Oct. 31, 2017 is USD 1.00 = JPY 113.06

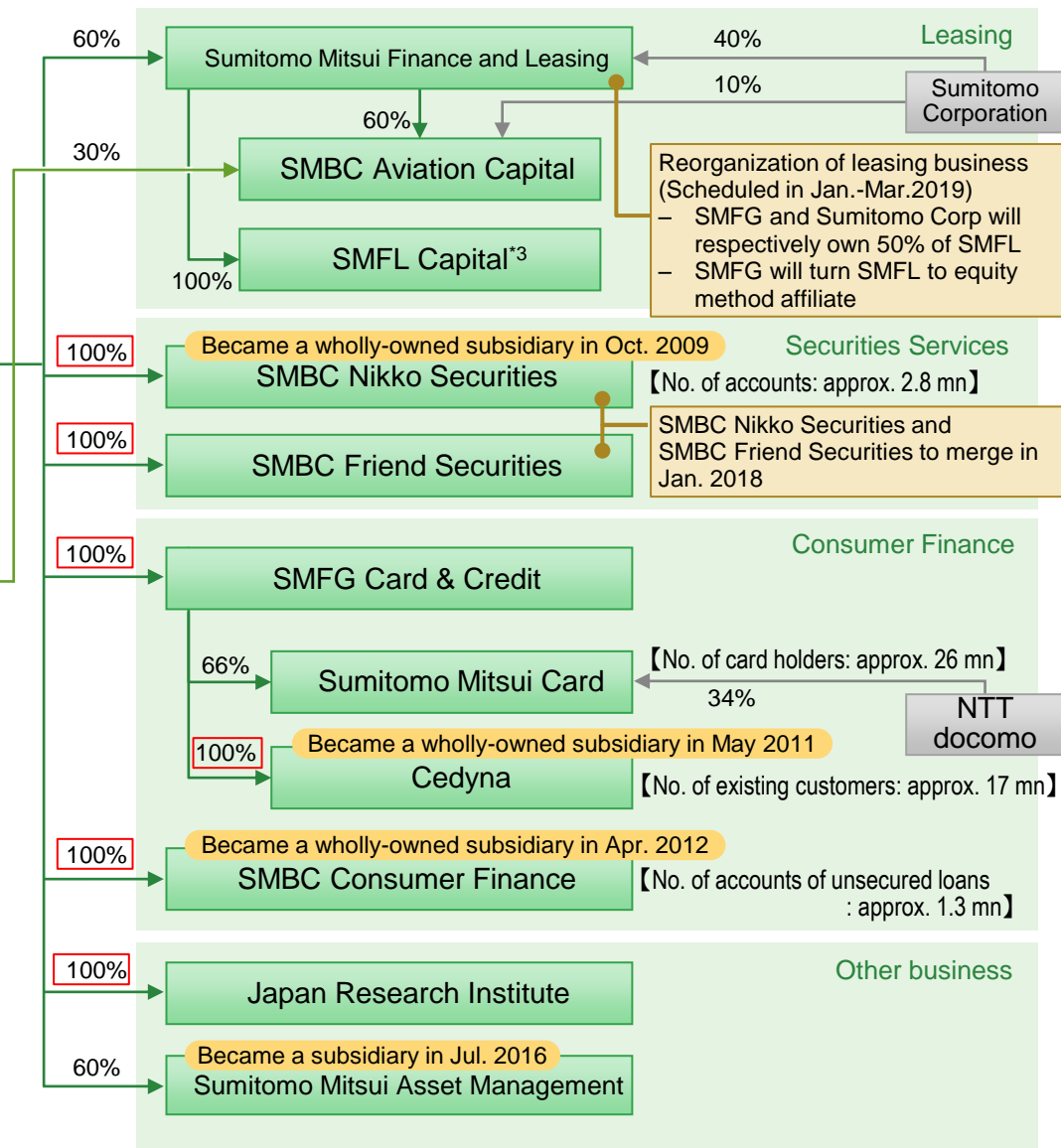
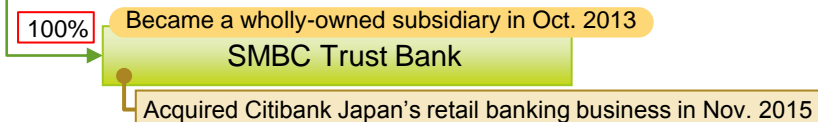
*2 Senior unsecured ratings as of Nov. 22, 2017 *3 Excludes negotiable certificates of deposits *4 Before provision for general reserve for possible loan losses

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

Group structure*1

Sumitomo Mitsui Financial Group						
Consolidated total assets		JPY 204 tn				
Consolidated Common Equity Tier 1 capital ratio		13.11 %				
Credit ratings	Moody's	S&P	Fitch	R&I	JCR	
	A1/P-1	A/-	A/F1	A+/-	AA/-	

Sumitomo Mitsui Banking Corporation						
Assets		JPY 166 tn				
Deposits		JPY 107 tn				
Loans		JPY 76 tn				
No. of retail accounts		approx. 28 mn				
No. of corporate loan clients		approx. 82,000				
Credit ratings	Moody's	S&P	Fitch	R&I	JCR	
	A1/P-1	A/A-1	A/F1	AA-/a-1+	AA/J-1+	



*1 As of Sep. 30, 2017 for figures

*2 Changed name from GE Japan GK to SMFL Capital Company, Limited in Sep. 2016



To achieve sustainable growth by combining the Group's strengths with more focused business management

Core Policy

1

Discipline

Disciplined business management

- Transformation of business/asset portfolio and quality of earnings base
- Improve productivity and efficiency

2

Focus

Focus on our strengths to generate growth

- Focus on Seven Core Business Areas

3

Integration

Integration across the Group and globally to achieve sustainable growth

- Management that maximizes business potential
- Digitalization
- ESG

Medium-Term Management Plan - Transformation of business/asset portfolio and quality of earnings base – Shift to SMFG's competitive advantage and growing businesses

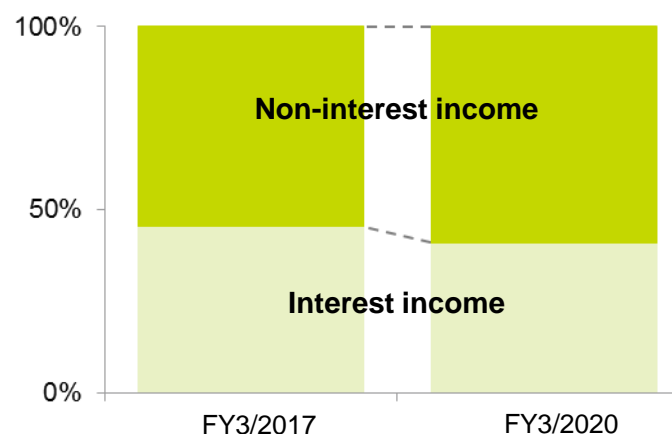
- Prioritize business fields when allocating resources to enhance capital efficiency
- Maintain our competitive advantage in the domestic retail and wholesale businesses and generate stable earnings

Business portfolio transformation

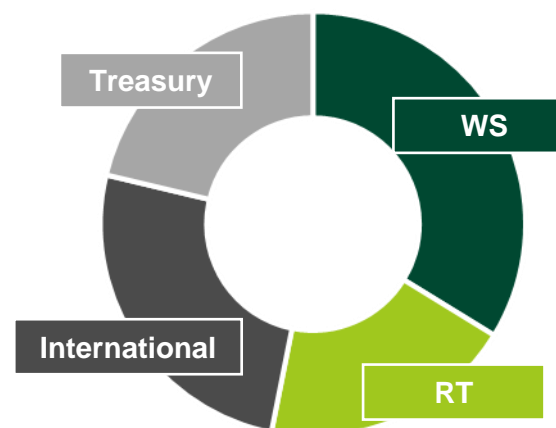
SMFG's competitive advantage



Interest/non-interest income ratio (consolidated gross profit)



Breakdown of consolidated net business profit by business unit



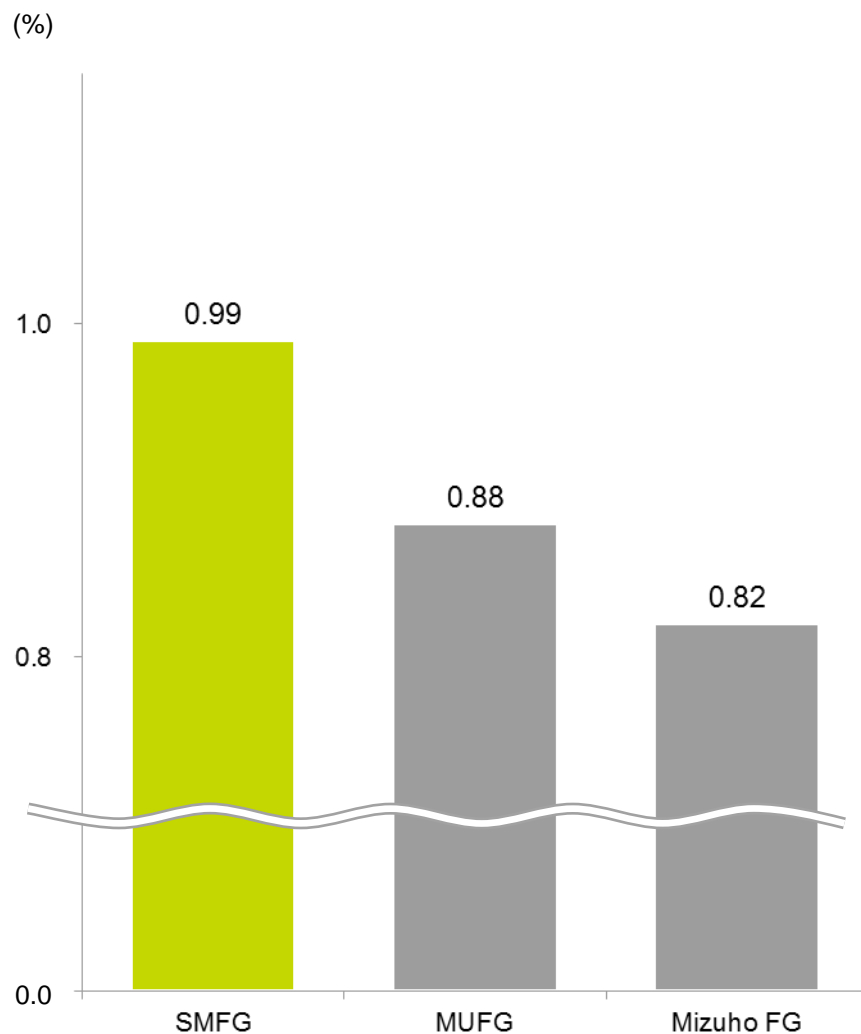
Medium-Term Management Plan - Focus on Seven Core Business Areas

Strategic Focus		Major Initiatives
1	Hold the number one retail banking franchise in Japan	“Consulting capability” and “Digitalization” <ul style="list-style-type: none"> ● Enhance wealth management business through bank-securities integration ● Transform business model through digitalization and group integration ● Reform of cost structures
2	Build on our lead position in the Japanese medium-sized enterprise market	<ul style="list-style-type: none"> ● Offer multi-solutions on a group-wide basis (banking, securities, leasing, trust banking etc.) ● Sustain and enhance our superiority both in productivity and efficiency
3	Increase market share in Corporate & Investment Banking in key global markets	“Group/Global : Banking, Securities, Leasing” <ul style="list-style-type: none"> ● Enhance customer segmentation and set priorities for resource allocation ● Strengthen Corporate & Investment Banking model both in Japan and overseas
4	Establish a top-tier position in product lines where we are competitive globally	<ul style="list-style-type: none"> ● Strengthen origination capabilities in businesses such as transportation (aircraft and railcar) leasing where we hold competitive advantages ● Expand investor base and enhance distribution capabilities on a group-wide basis
5	Accelerate our “Asia-centric” strategy	<ul style="list-style-type: none"> ● Expand our customer base and promote cross-selling with prime local companies in Asia ● Conduct full-line commercial banking operations in Indonesia ● Develop digital retail banking business
6	Strengthen sales & trading capability	<ul style="list-style-type: none"> ● Establish S&T bank-securities integrated model and enhance solution capabilities
7	Develop asset-light businesses: trust banking and asset management	<ul style="list-style-type: none"> ● Build an asset-light and profitable business model by leveraging group synergies

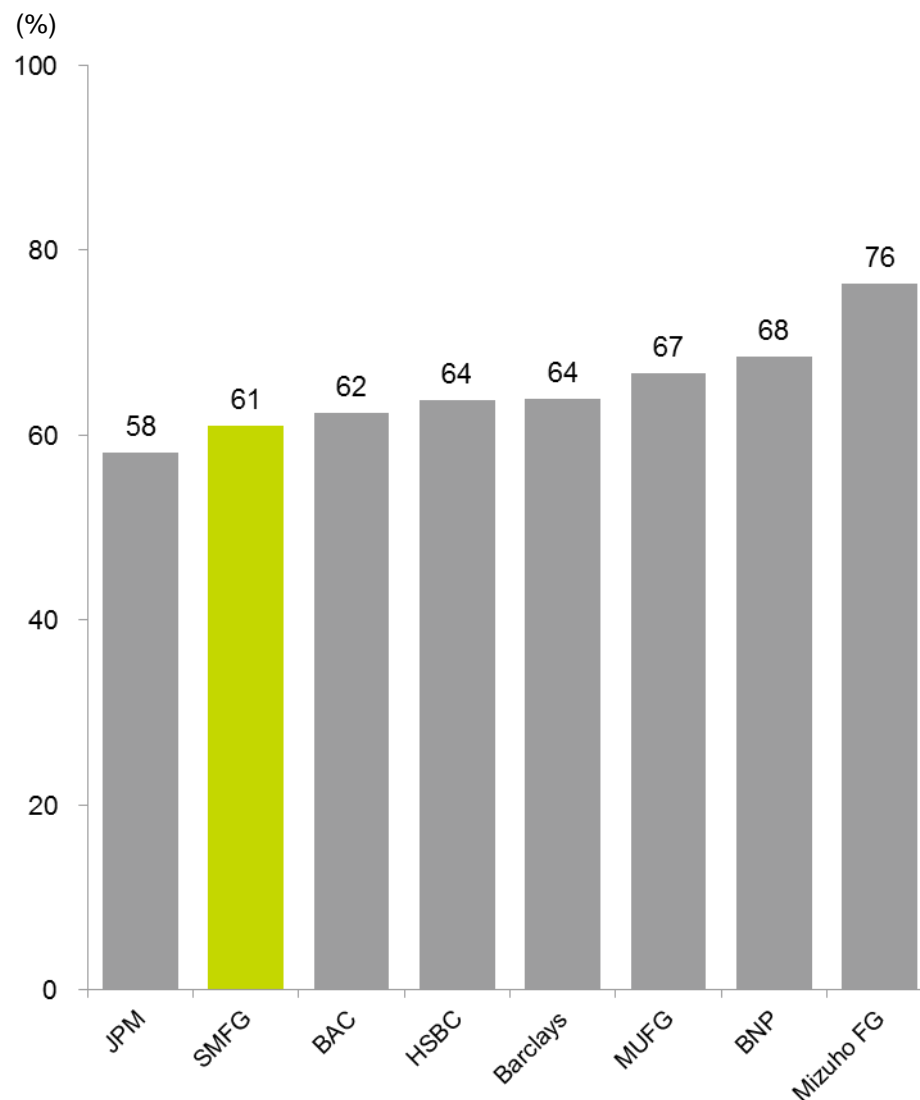
Digitalization

Sources of profitability

Domestic loan-to-deposit spread*¹



Overhead ratio*²

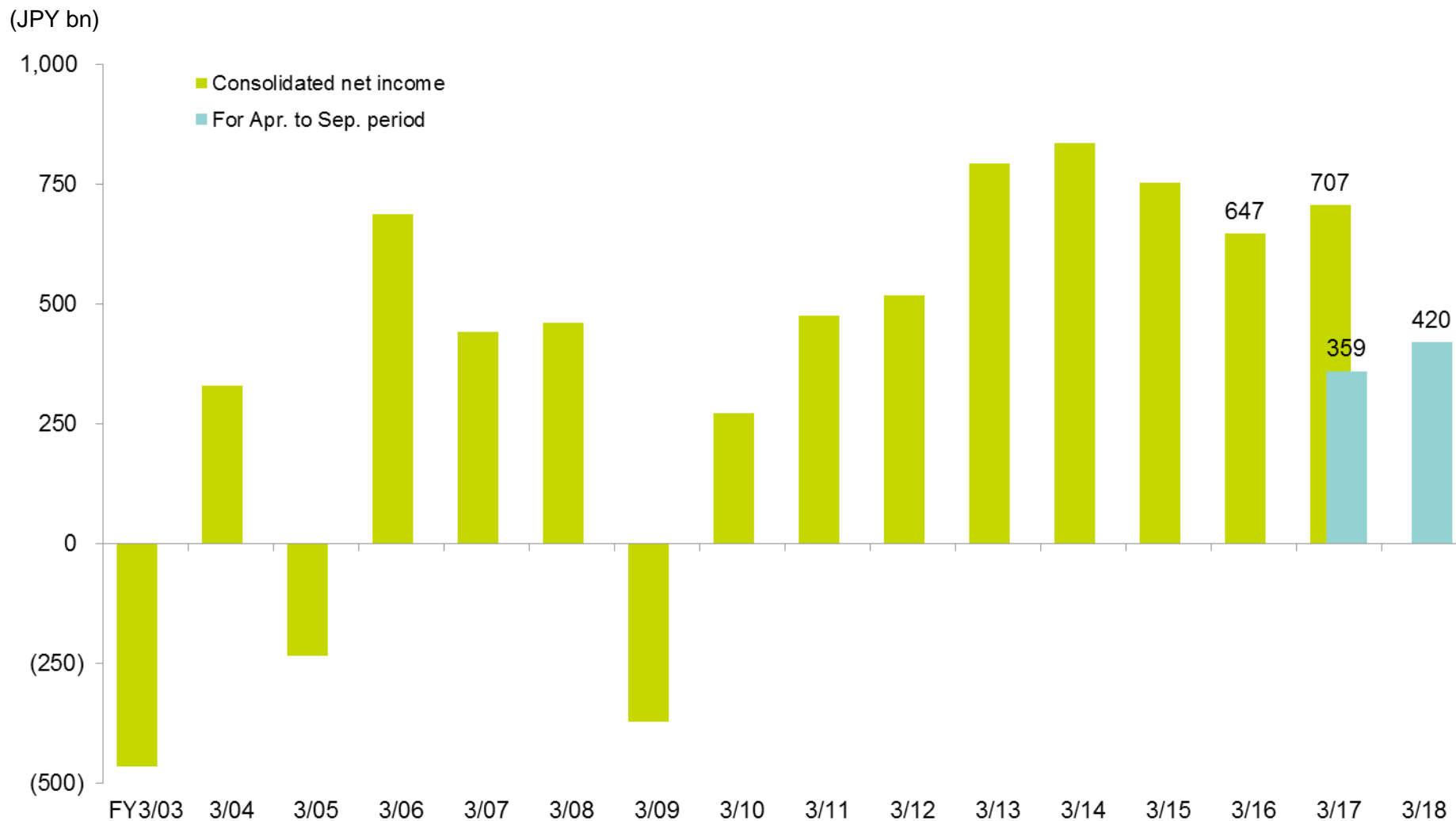


*¹ Based on each company's 1H, FY3/18 disclosure. The figures shown in the graph are: non-consolidated figures of SMBC for SMFG, non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ for MUFG, and non-consolidated figures of Mizuho Bank for Mizuho FG

*² Based on each company's disclosure on a consolidated basis. G&A expenses (for Japanese banks, includes non-recurring losses of subsidiary banks) divided by top-line profit (net of insurance claims). 1H, FY3/18 results for SMFG, MUFG and Mizuho FG, 3Q, FY12/17 results for the others

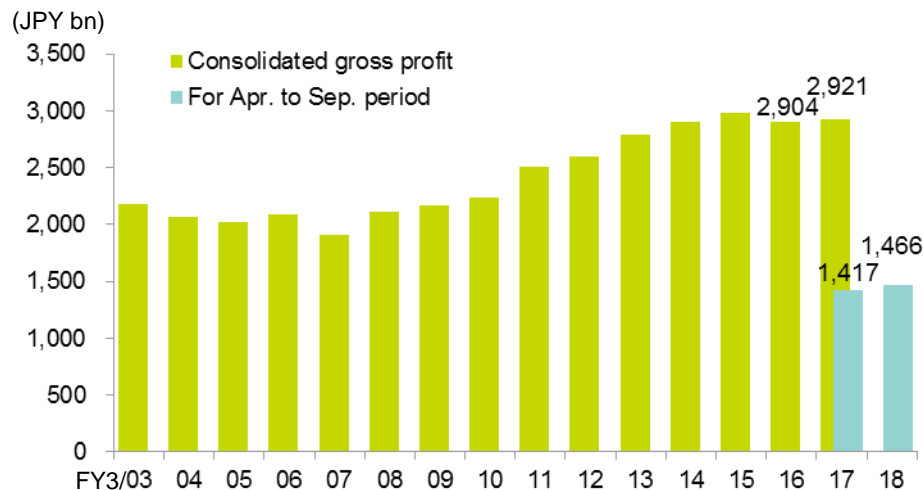
Trend of bottom line profits

Net income / Profit attributable to owners of parent (Consolidated)

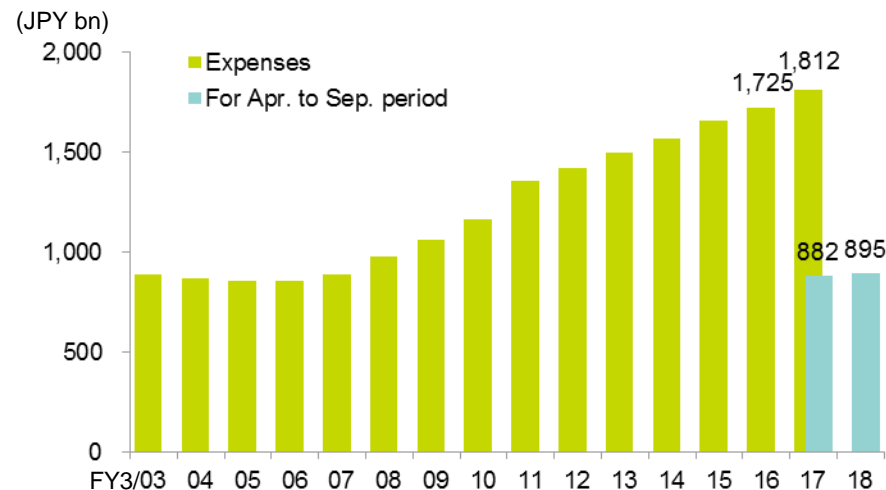


Trend of major income components – Consolidated

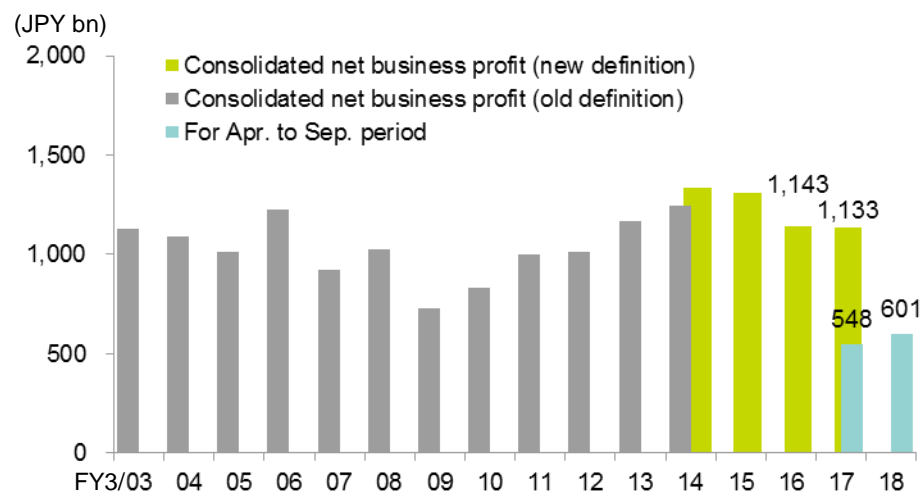
Consolidated gross profit



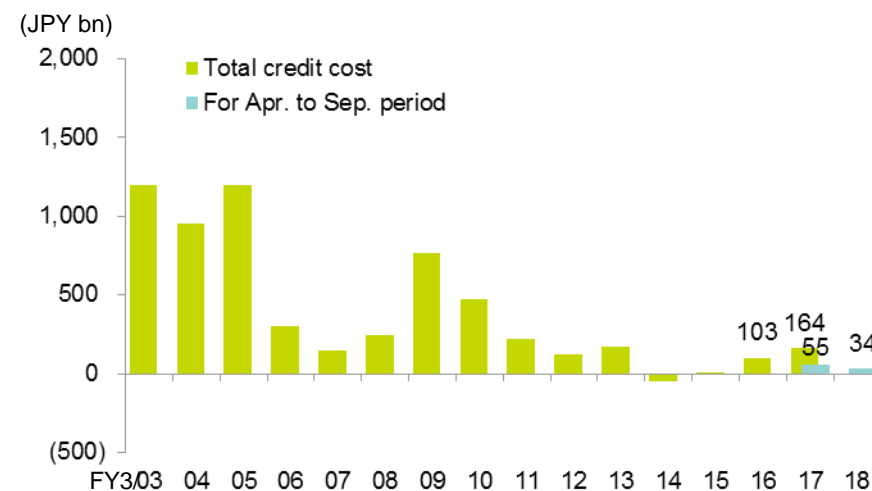
General and administrative expenses



Consolidated net business profit*



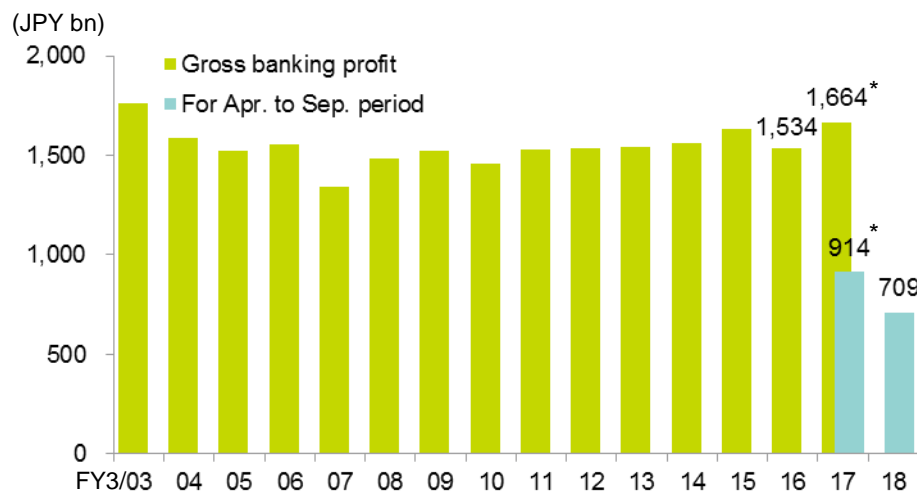
Total credit cost



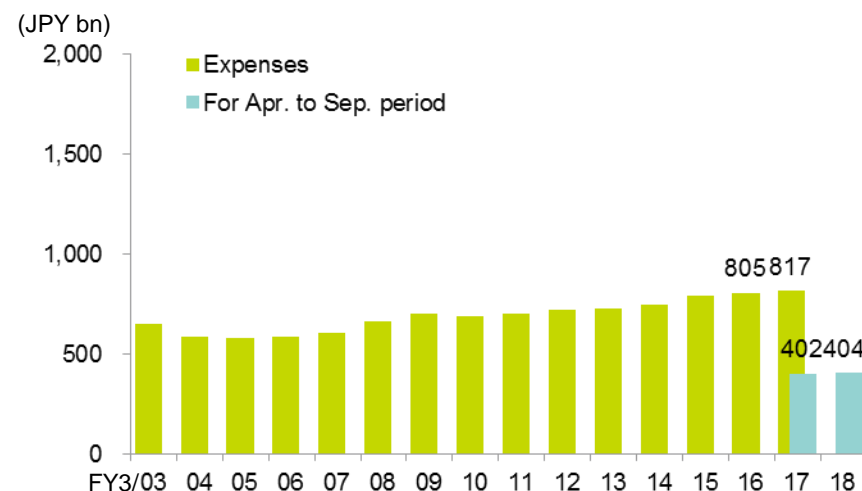
* We have changed the definition of "Consolidated net business profit" from the fiscal year ended March 31, 2015. The figure for the fiscal year ended March 31, 2014 has been adjusted retrospectively

Trend of major income components – Non-consolidated

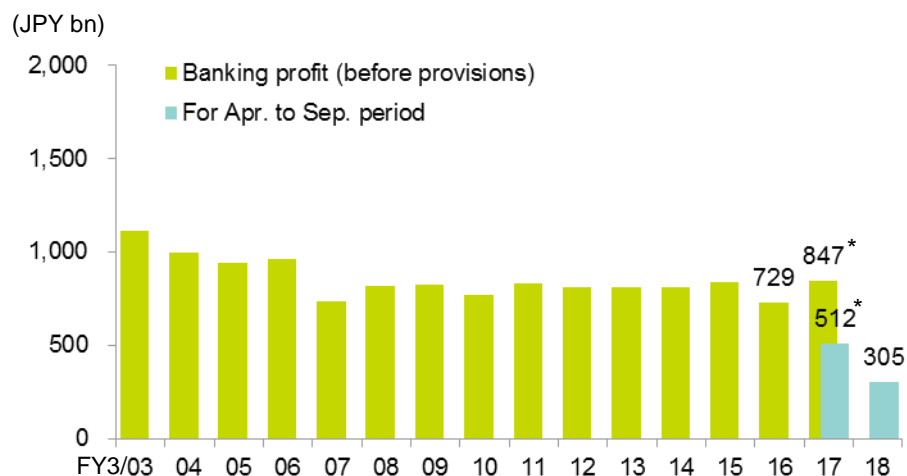
Gross banking profit



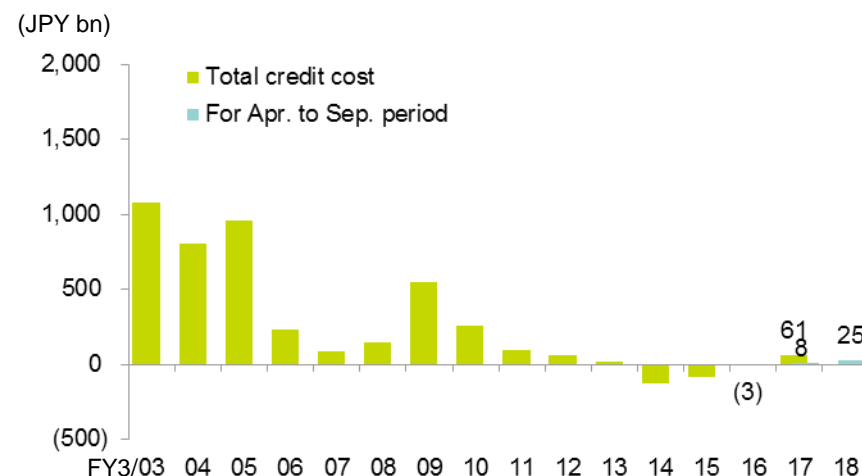
Expenses



Banking profit (before provisions)



Total credit cost



* Includes JPY 200 bn of dividends from SMBC Nikko associated with making SMBC Nikko a direct subsidiary of SMFG

Capital and risk-weighted assets, Consolidated

Capital ratio (transitional basis)

		(JPY bn)	Mar. 31, 2017	Sep. 30, 2017 Preliminary
	CET1		8,608.5	9,060.4
	of which:	Total stockholders' equity related to common stock	8,013.3	8,323.0
		Accumulated other comprehensive income ^{*1}	1,290.0	1,389.4
		Regulatory adjustments related to CET1 ^{*1}	(898.1)	(860.3)
Tier 1 capital			9,946.2	10,384.0
of which:	AT1 capital instruments		449.9	450.0
	Eligible Tier 1 capital instruments (grandfathered) ^{*3}		812.9	812.9
	Regulatory adjustments ^{*1, *2}		(172.9)	(167.5)
Tier 2 capital			2,027.5	1,988.5
of which:	Tier 2 capital instruments		898.9	901.5
	Eligible Tier 2 capital instruments (grandfathered) ^{*3}		873.1	810.8
	Unrealized gains on other securities after 55% discount and land revaluation excess after 55% discount ^{*2}		197.4	216.5
	Regulatory adjustments ^{*1, *2}		(70.6)	(67.2)
Total capital			11,973.7	12,372.5
Risk-weighted assets			70,683.5	69,905.6
CET1 ratio			12.17%	12.96%
Tier 1 ratio			14.07%	14.85%
Total capital ratio			16.93%	17.69%

Leverage ratio (transitional basis)

	(JPY bn)	Mar. 31, 2017	Sep. 30, 2017 Preliminary
Leverage ratio		4.74%	4.77%
Leverage exposure		209,669.6	217,387.4

LCR

Average Jul. – Sep. 2017
127.4%

*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
*1 80% of the original amounts are included *2 80% phase-out is reflected in the figures *3 Cap is 50%

Financial highlights – IFRS*

Income statement data

	(JPY bn)	FY3/2016	FY3/2017
Net interest income		1,441.5	1,397.9
Net Fee and commission income		900.3	884.8
Net Trading income		462.7	184.0
Other operating income		883.8	881.2
Total operating income		3,688.2	3,347.9
Net operating income		3,539.9	3,134.9
Profit before tax		1,325.7	880.4
Net profit		952.8	740.6

Statement of financial position data

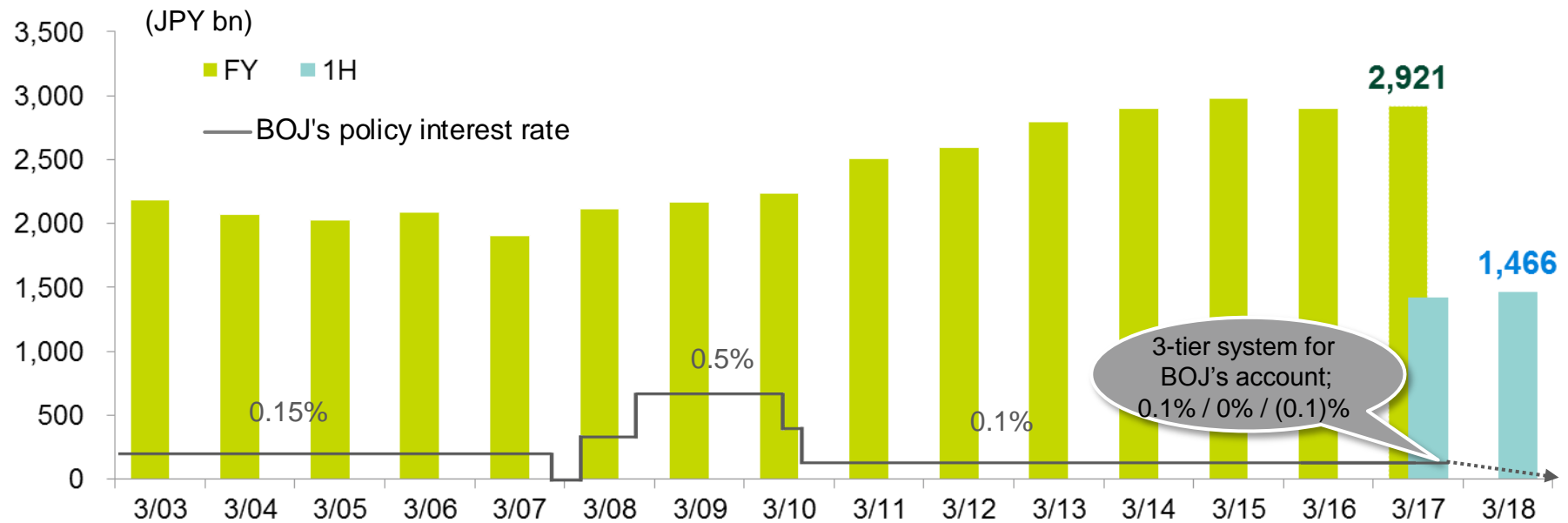
	(JPY bn)	FY3/2017
Total assets		191,151.0
Loans		95,273.8
Deposits		130,295.3
Total equity		11,887.3

Reconciliation with Japanese GAAP *

	(At and for FY3/2017, JPY bn)	Total equity	Net profit
IFRS		11,887.3	740.6
Differences arising from different accounting for:	Scope of consolidation	124.8	12.0
	Derivative financial instruments	118.3	110.9
	Investment securities	(221.5)	8.8
	Loans and advances	22.8	0.7
	Investments in associates and joint ventures	(68.6)	15.9
	Property, plant and equipment	(10.5)	(1.3)
	Lease accounting	3.1	3.7
	Defined benefit plans	53.6	(22.9)
	Deferred tax assets	(46.4)	(7.5)
	Foreign currency translation	-	(3.6)
	Classification of equity and liability	(452.8)	(8.4)
	Others	(156.0)	(16.9)
	Tax effect of the above	(19.9)	(23.7)
Japanese GAAP		11,234.3	808.4

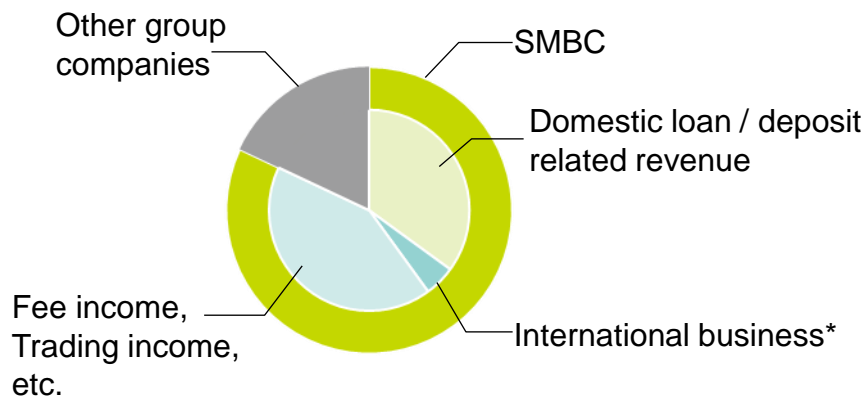
Diversified revenue sources

SMFG's consolidated Gross profit

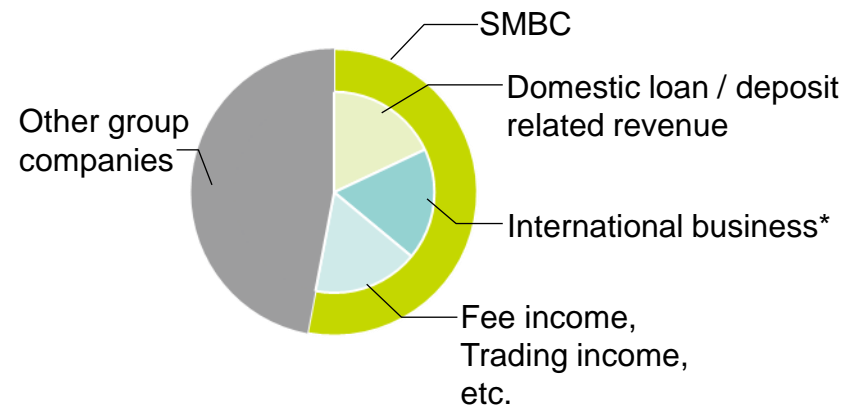


Illustrative breakdown of contribution

FY3/03



1H, FY3/18



* Includes major overseas banking subsidiaries

Initiatives for negative interest rate policy

Control deposit balance

- Lowered interest rates
 - Ordinary deposits 0.001% since Feb. 16, 2016
 - Time deposits 0.01% since Mar. 1, 2016
- Initiatives against inflow of large funds from corporations (especially financial institutions)
 - Charge fees for correspondent accounts of foreign banks

Promote shifts from savings to asset building

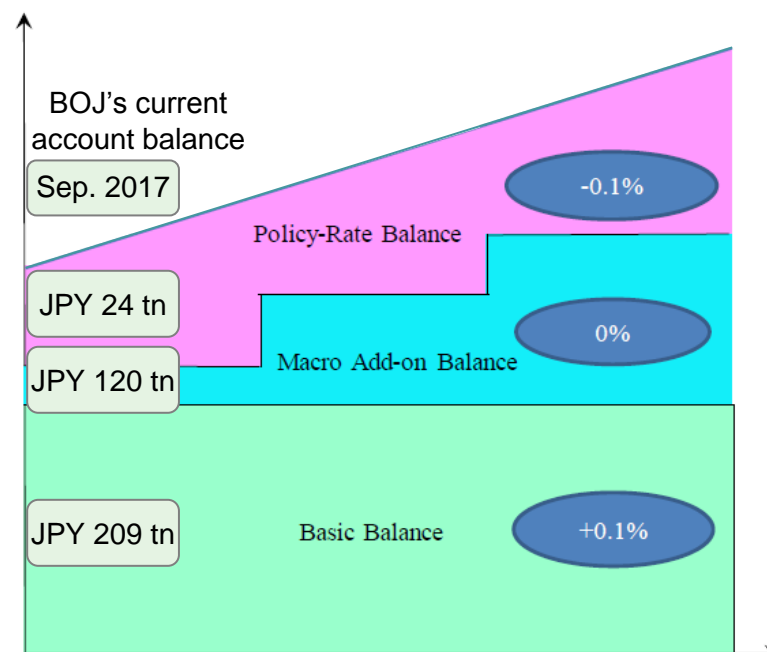
- Foreign deposits; raised interest rates, launched marketing campaigns
- Increase sales of wrap accounts and low risk and low return investment products

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

- Introduction of “Quantitative and Qualitative Monetary Easing with a Negative Interest Rate” (Feb. 2016)*¹



- Introduction of “Quantitative and Qualitative Monetary Easing with Yield Curve Control” (Sep. 2016)*²
 - “Yield curve control”
 - “Inflation-overshooting commitment”

*1 Source: The Bank of Japan (“Key Points of Today’s Policy Decisions” on Jan. 29, 2016)
“BOJ Current Account Balances by Sector (Sep. 2017)” on Oct. 16, 2017 for BOJ’s current account balance

*2 Source: The Bank of Japan (“New Framework for Strengthening Monetary Easing: “Quantitative and Qualitative Monetary Easing with Yield Curve Control” on Sep. 21, 2016)

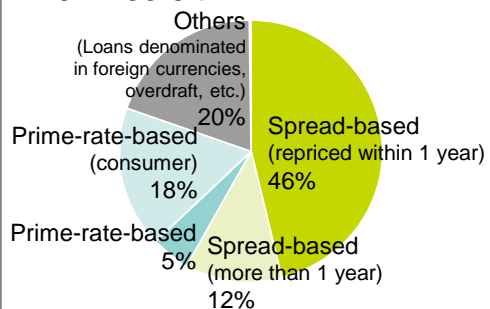
Balance sheet

Non-consolidated

- Balance in the BOJ's current account
Sep. 30, 2017 JPY 37.8 tn

Non-consolidated

- Domestic loans outstanding
JPY 53.6 tn



● By domestic Marketing units*1

(JPY tn, at period-end)	Sep. 2017	Change from Mar. 2017
Large corporations*2	15.3	(0.4)
Mid-sized corporations & SMEs*3	17.7	+0.1
Individuals	13.8	(0.1)*4

Consolidated

- Of which Stocks*5 JPY 3.9 tn
- Of which JGBs*5 JPY 8.1 tn
- Of which Foreign bonds*5 JPY 6.5 tn

Consolidated B/S (Sep. 30, 2017) [vs. Mar. 31, 2017]

(JPY tn)

Cash and
due from banks
49.3 [+2.5]

Loans
81.2 [+0.9]

Domestic*6 53.6 [(0.9)]
Overseas*1,8 25.6 [+1.9]

Securities
24.4 [(0.2)]

Other assets
49.4 [+3.3]

Total assets 204.3 [+6.5]

Deposits
(includes NCD)
132.8 [+3.1]

Domestic*6,7 95.7 [+1.2]
Overseas*1,8,9 29.2 [+1.9]

Other liabilities
59.8 [+2.9]

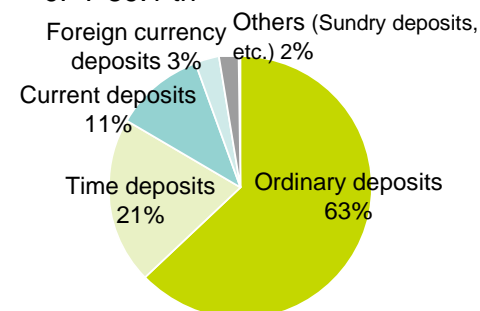
Total net assets
11.7 [+0.5]

Loan to deposit ratio

61.1 %

Non-consolidated

- Domestic deposits outstanding
JPY 89.1 tn



● By type of depositor

(JPY tn)	Sep.15	Sep.16	Mar.17	Sep.17
Total	77.3	83.4	87.7	89.1
Individuals	41.9	42.7	43.6	44.4
Corporates	35.3	40.7	44.1	44.7

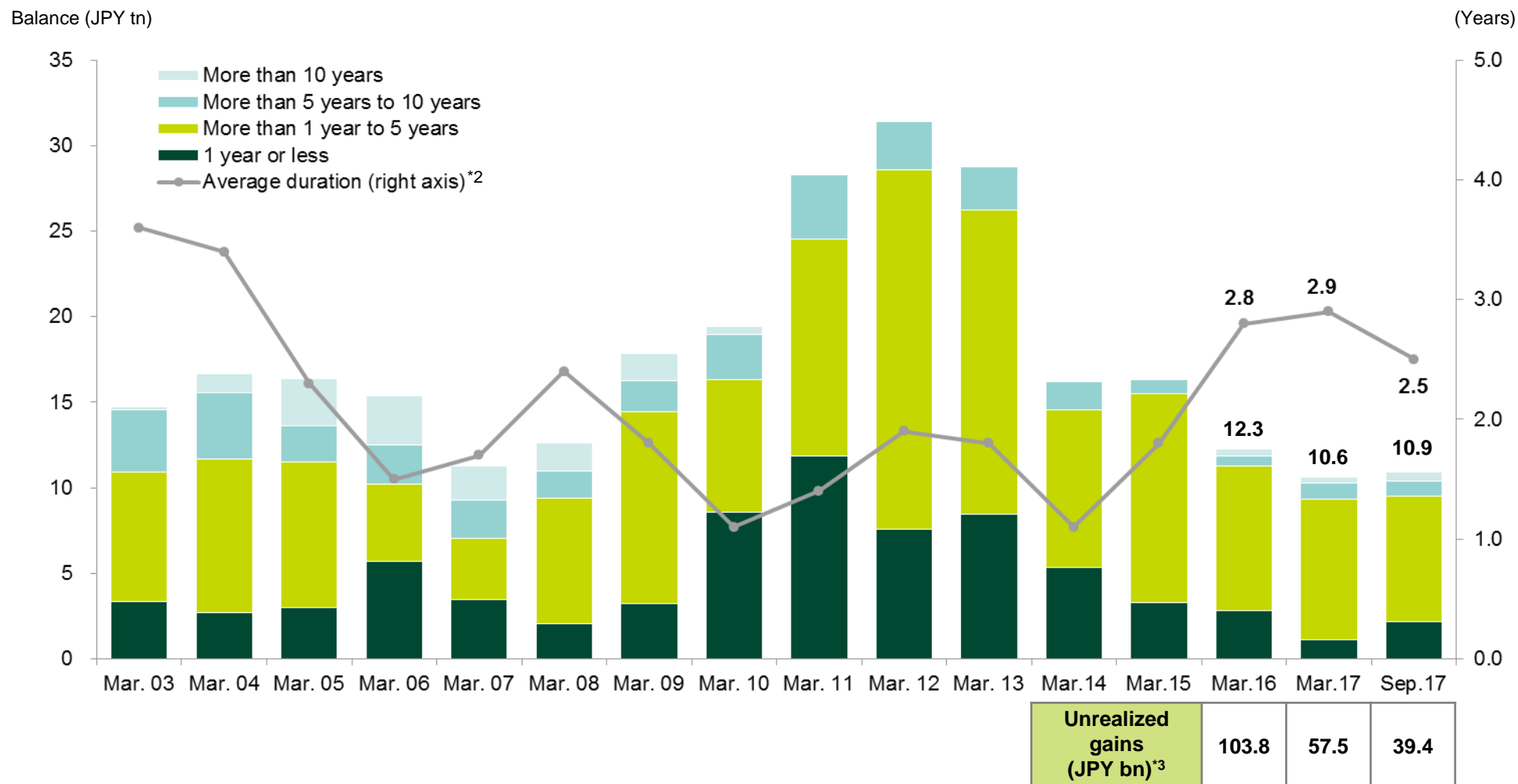
*1 Managerial accounting basis *2 Global Corporate Banking Division *3 Sum of Corporate Banking Division and SMEs covered by Retail Banking Unit

*4 After adding back the portion of housing loans securitized in 1H, FY3/18 of approx. JPY 170 bn *5 Other securities

*6 Non-consolidated *7 Including NCD *8 Sum of SMBC, SMBCE and SMBC (China) *9 Including CDs and CP

Yen bond portfolio *1

(Non-consolidated)



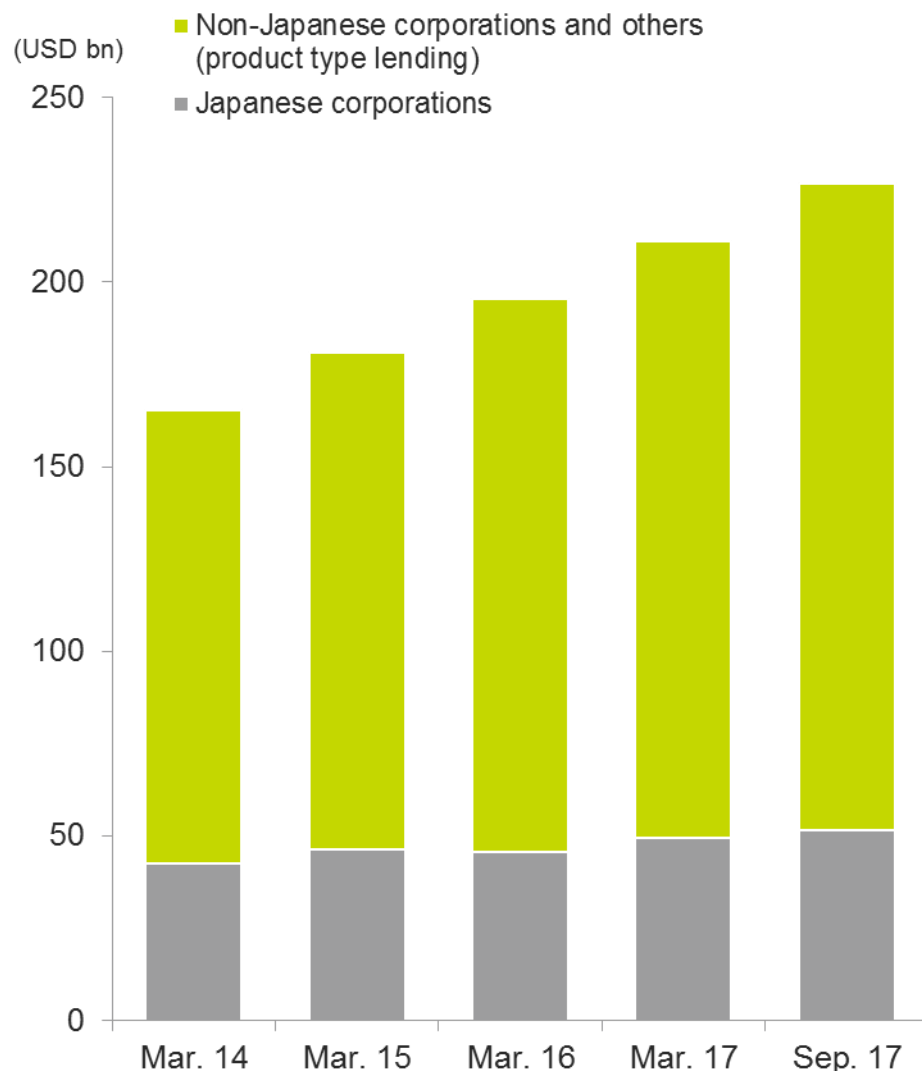
*1 Total balance of other securities with maturities and bonds classified as held-to-maturity; total of JGBs, Japanese local government bonds and Japanese corporate bonds

*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.

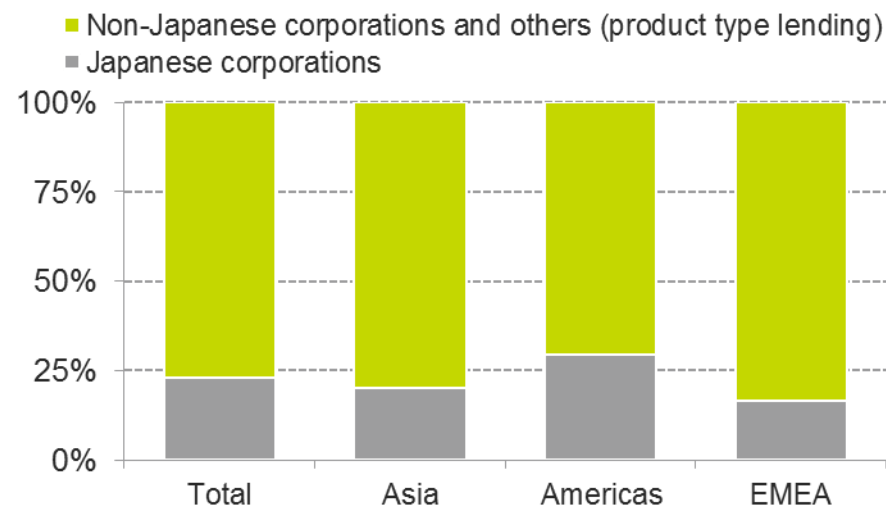
*3 15-year floating-rate JGBs have been evaluated at their reasonably estimated price from Mar. 2009

Overseas loan balance classified by borrower type*1

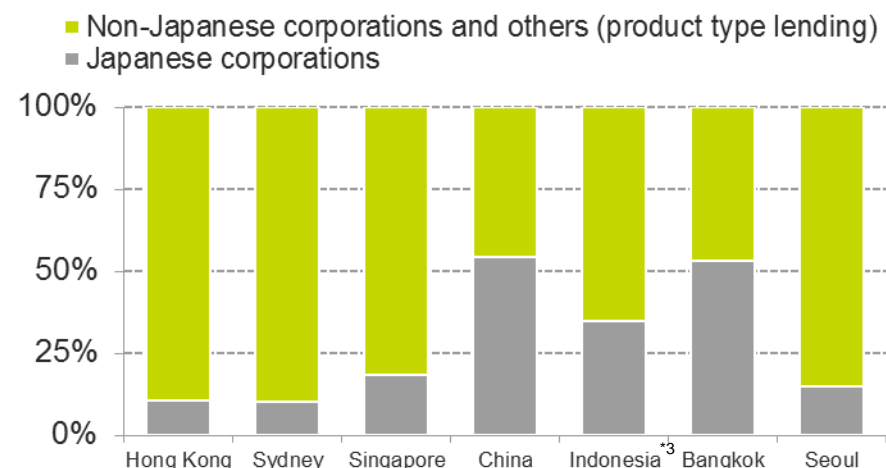
Total*2



By region (Sep. 2017)*2



Major marketing channels in Asia (Sep. 2017)*2



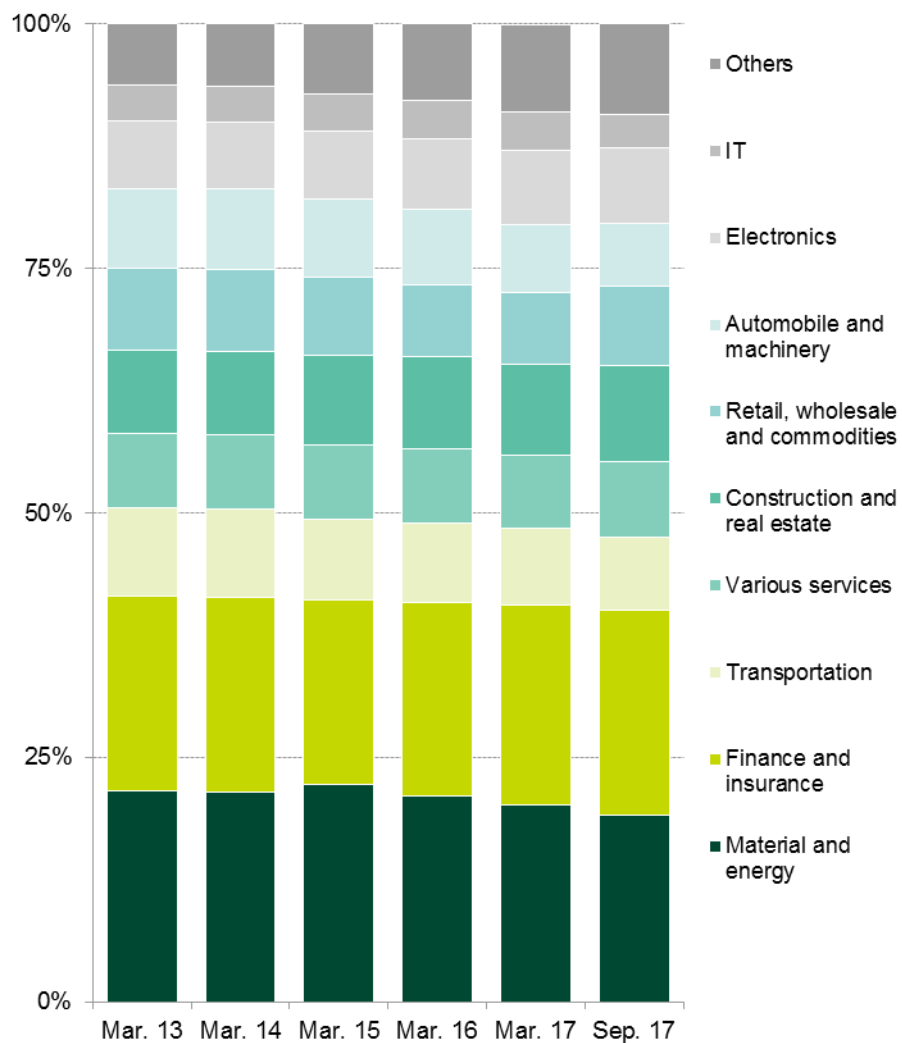
*1 Geographic classification based on booking office *2 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China), except for Indonesia. Includes trade bills after Mar. 2015

*3 Sum of SMBC and SMBC Indonesia

Overseas loan balance classified by industry and domicile

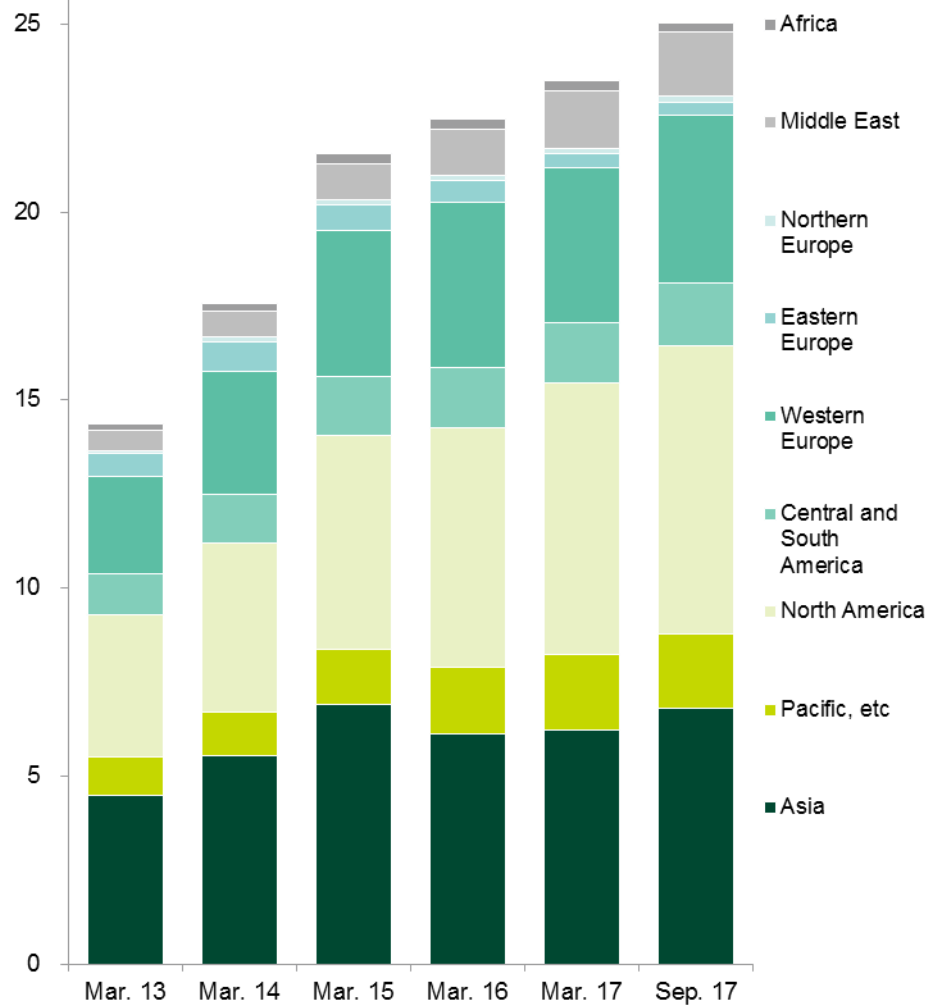
(Geographic classification based on domicile of borrowers)*

By industry



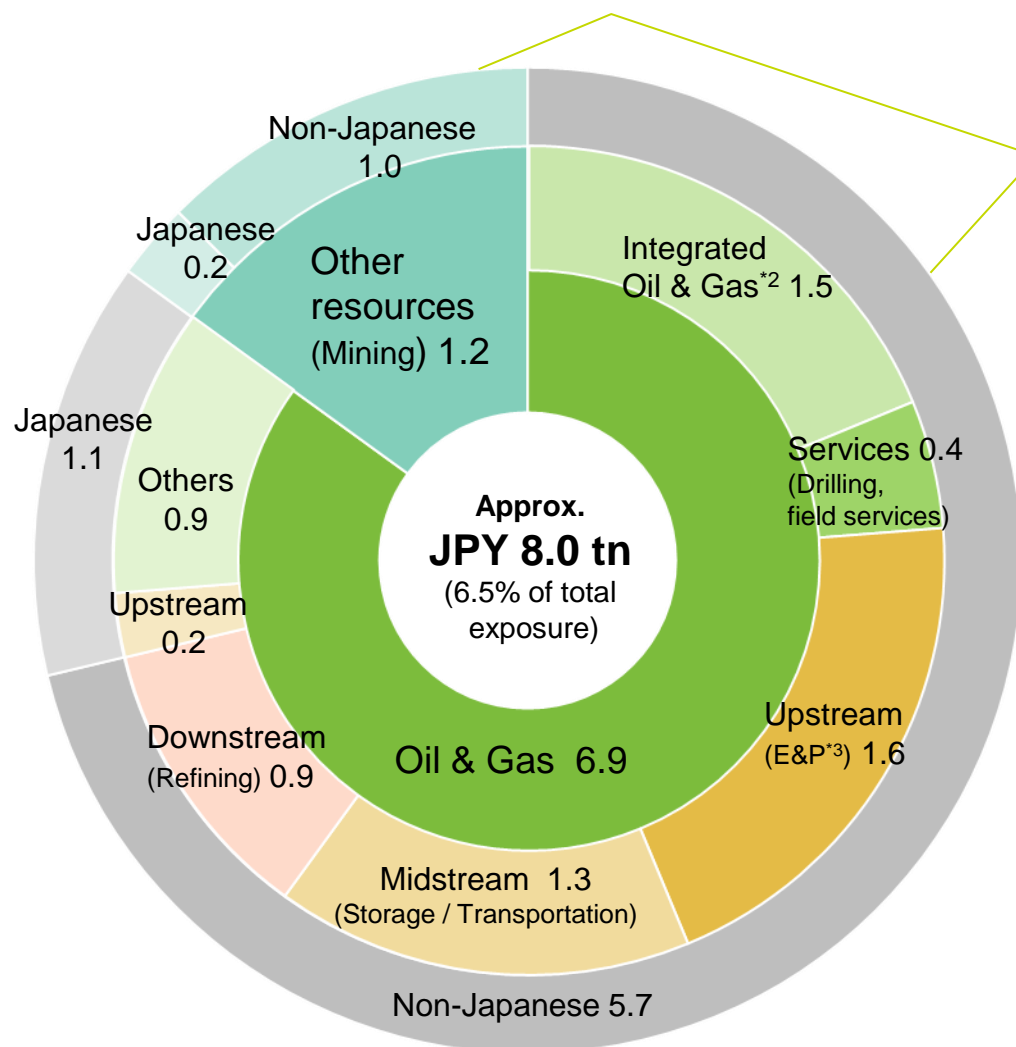
By domicile

(JPY tn)



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

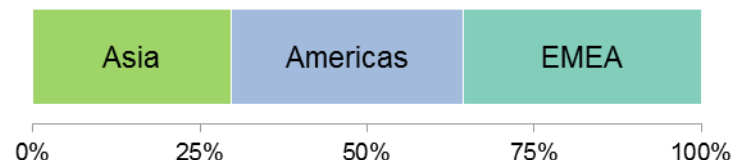
Exposure to resources related sectors*¹ (as of Sep. 30, 2017)



Non-Japanese exposure to oil and gas / other resources: JPY 6.7 tn

- 83% is classified as “1-3”^{*4} in our internal rating
- NPLs to drawn amount: 2.4% mainly consist of “Services,” “Upstream” and “Other resources (Mining)”

By Region

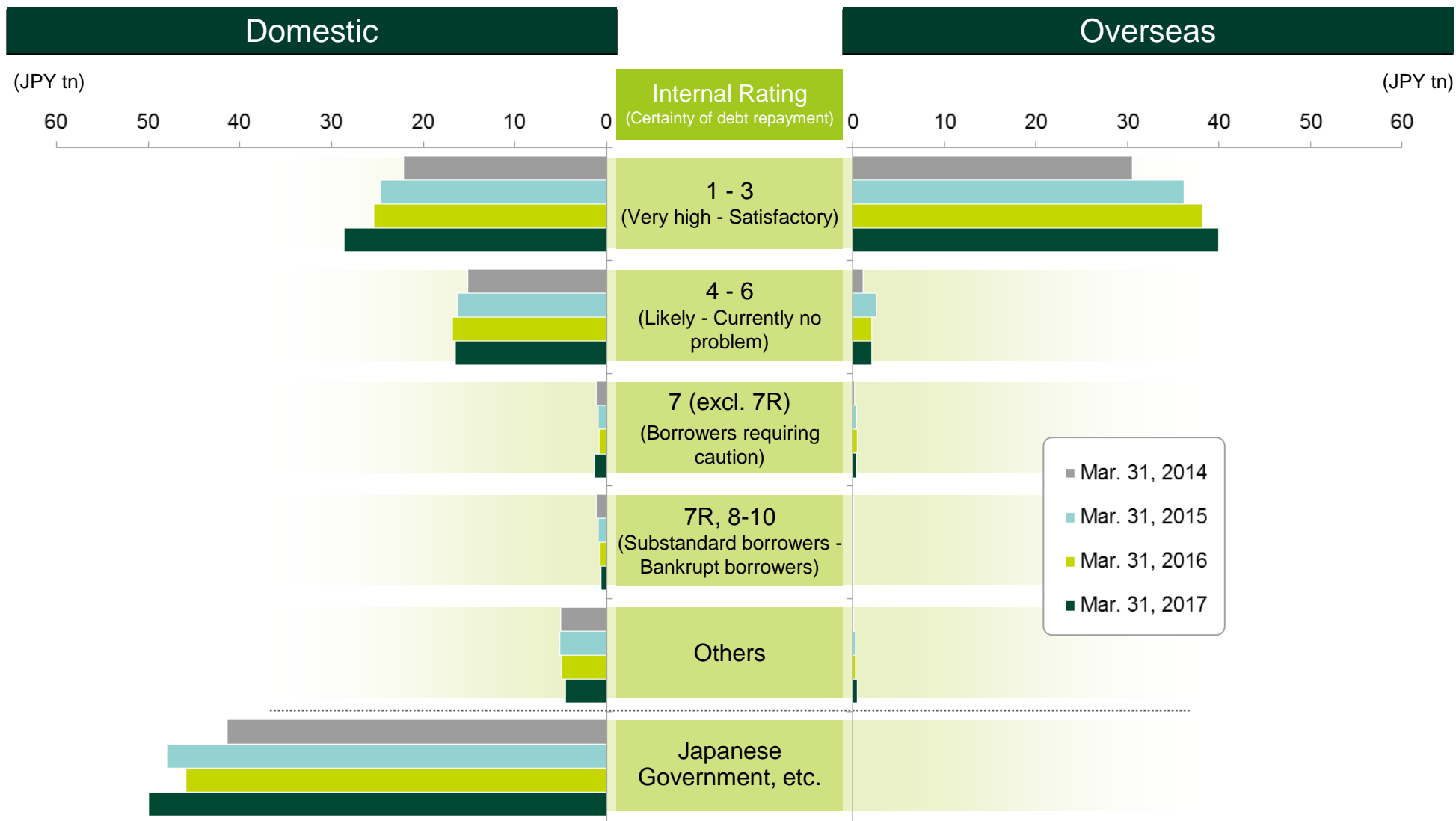


*¹ Loans, commitment lines, guarantees, investments, etc. Sum of SMBC, SMBC Europe and SMBC (China)

*² Majors, state-owned oil companies, etc. *³ Exploration & Production

*⁴ Certainty of debt repayment is in the range of Very high - Satisfactory

Corporate, sovereign and bank exposures*



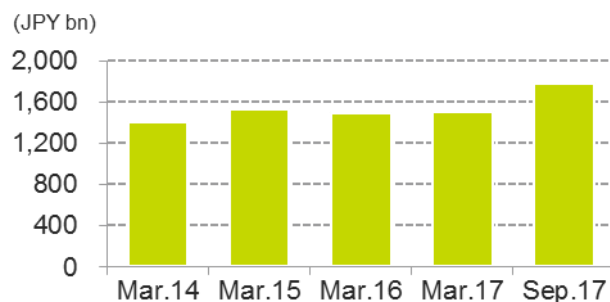
(Consolidated)

* Exposures include credit to domestic and overseas commercial / industrial companies, individuals for business purposes, sovereigns, public sector entities, and financial institutions.

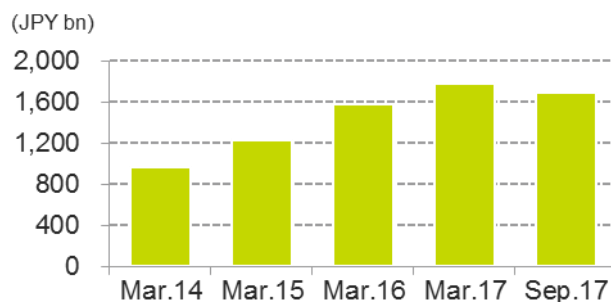
See appendix for details on obligor grading system

Loan balance in Asian countries/areas *1, 2

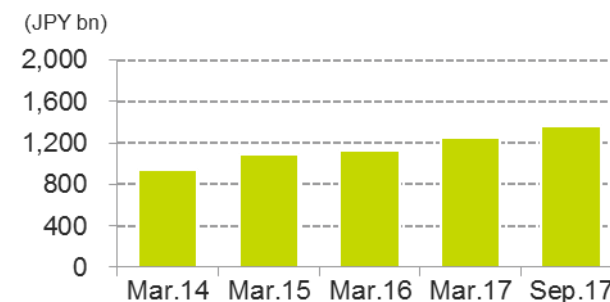
Hong Kong



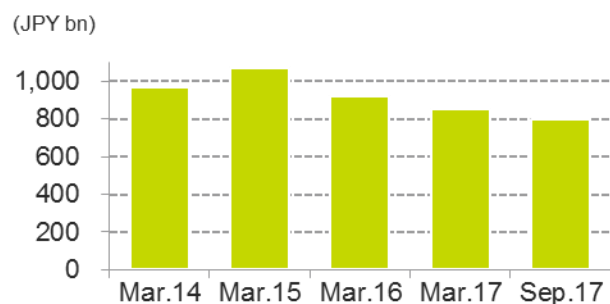
Australia



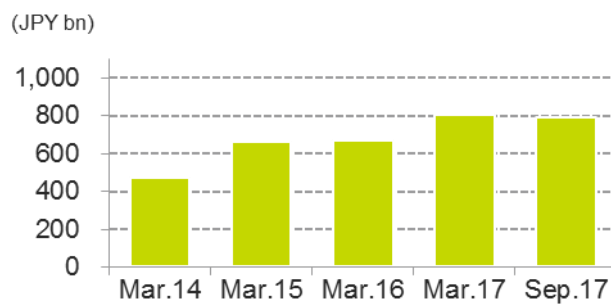
Singapore



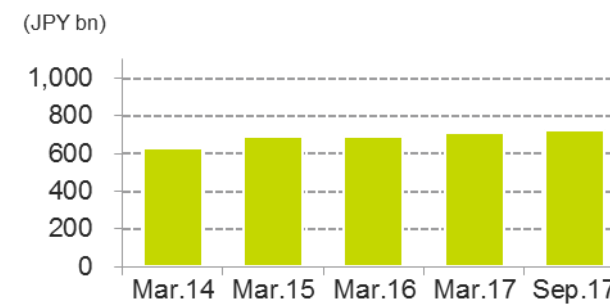
China



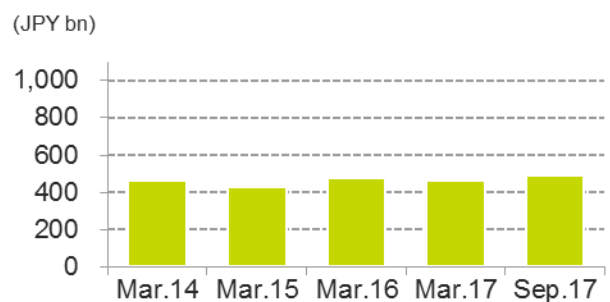
Indonesia



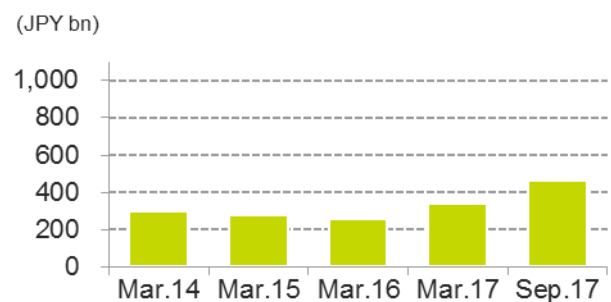
Thailand



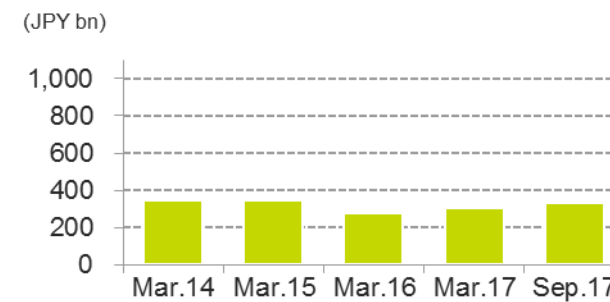
India



Taiwan



Korea

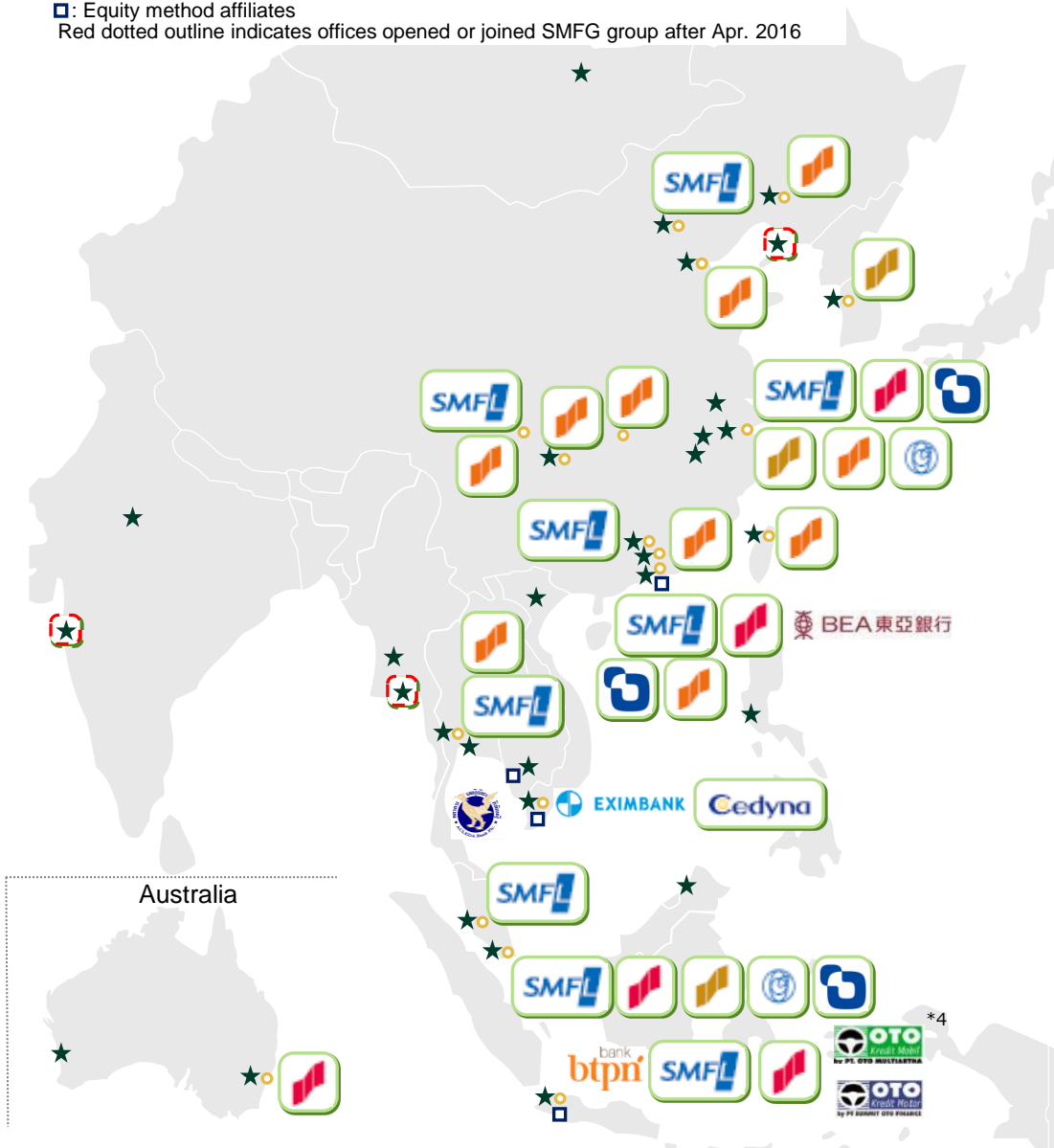


*1 Geographic classification based on borrowers' domicile

*2 Managerial accounting 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 of Sep. 30, 2017

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. 2016



SMBC SUMITOMO MITSUI BANKING CORPORATION	Banking	< Asia and Oceania > 14 countries/areas, 42 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
SUMITOMO MITSUI CARD COMPANY, LIMITED	Prepaid card services	Seoul ^{*2}
	Consulting	Shanghai
	Market research	Singapore
Cedyna	Auto loans	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	Taipei
The Japan Research Institute, Limited	Consulting	Shanghai
	System integration	<ul style="list-style-type: none"> Shanghai Singapore
Sumitomo Mitsui Asset Management	Asset management	<ul style="list-style-type: none"> Shanghai Hong Kong Singapore

^{*1} As of Sep. 30, 2017. Includes SMBC, SMBC's banking subsidiaries and equity method affiliates. Excludes offices planned to be closed

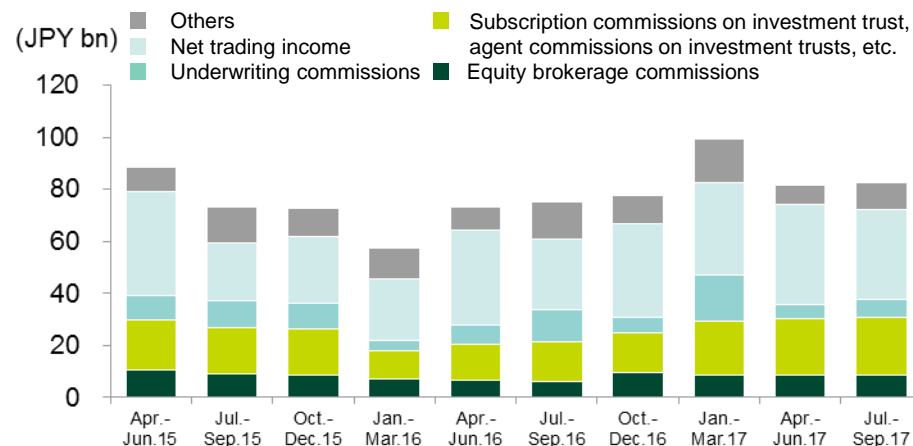
^{*2} Prepaid cards targeted at travelers to Korea from Japan offered through an alliance with Hana SK Card Co., Ltd. since Nov. 2012

^{*3} Expanded auto loan business through alliance with Vietnam Eximbank since May 2013 ^{*4} SMBC made OTO/SOF equity method affiliates in Mar. 2016

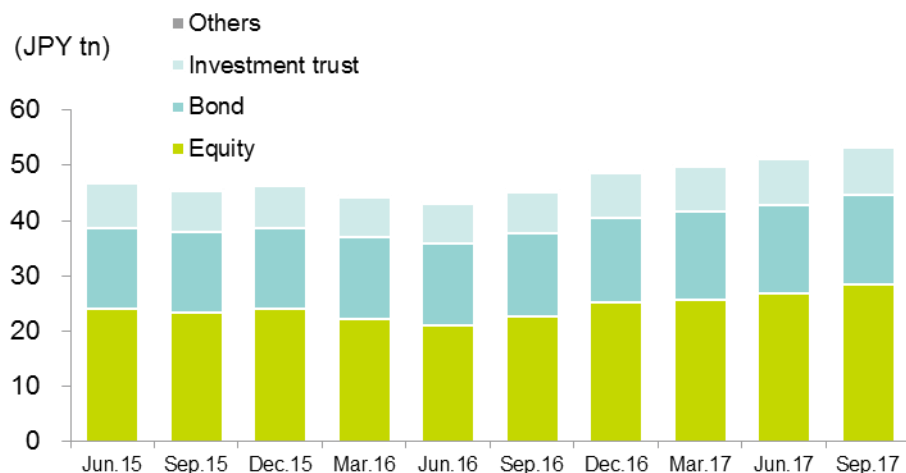
Financial results (consolidated)

(JPY bn)	FY3/17	1H, FY3/18	YOY change
Net operating revenue	326.7	164.8	+15.7
SG&A expenses	(250.9)	(124.7)	(5.2)
Ordinary income^{*1}	80.0	41.8	+10.3
Profit attributable to owners of parent^{*1, 2}	46.9	28.8	+6.8

Net operating revenue



Client assets



League tables (Apr. 2017 - Sep. 2017)

	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount)^{*3,4}	#5	6.2%
JPY denominated bonds (lead manager, underwriting amount)^{*3,5}	#5	16.1%
Financial advisor (M&A, No. of deals)^{*3,6}	#1	5.9%
IPO (lead manager, No. of deals)^{*6,7}	#3	14.3%

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

^{*2} Recorded loss of JPY 12.0 bn as extraordinary loss at SMBC Nikko in FY3/17 on restructuring and liquidation of business alliance with Barclays

^{*3} Source: SMBC Nikko, based on data from Thomson Reuters

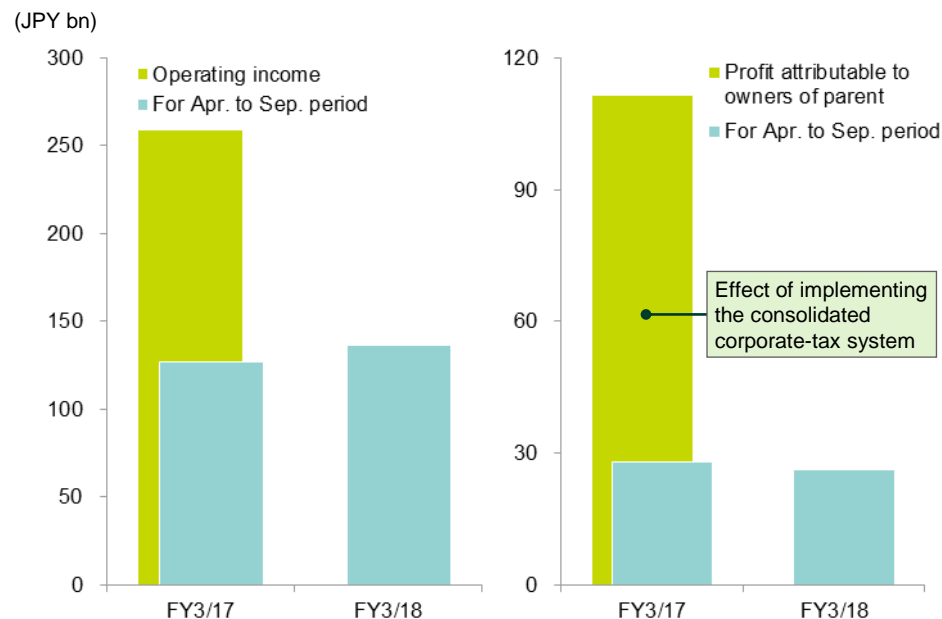
^{*4} Japanese corporate related only. Includes overseas offices

^{*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

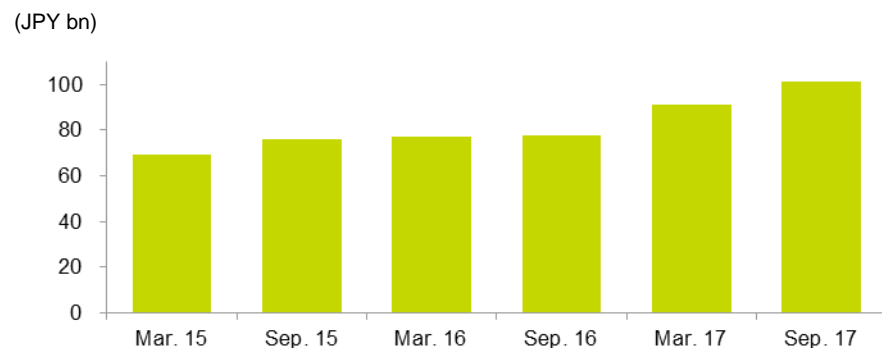
^{*7} Excludes REIT IPO. Source: Thomson Reuters

Consolidated operating income and Profit attributable to owners of parent



Overseas business

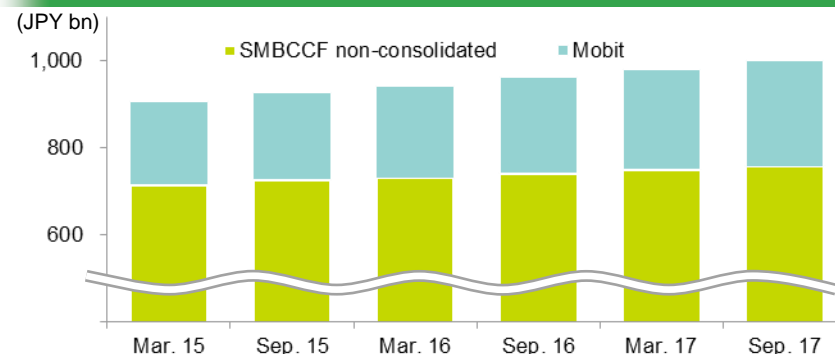
Consumer loans outstanding (overseas)*



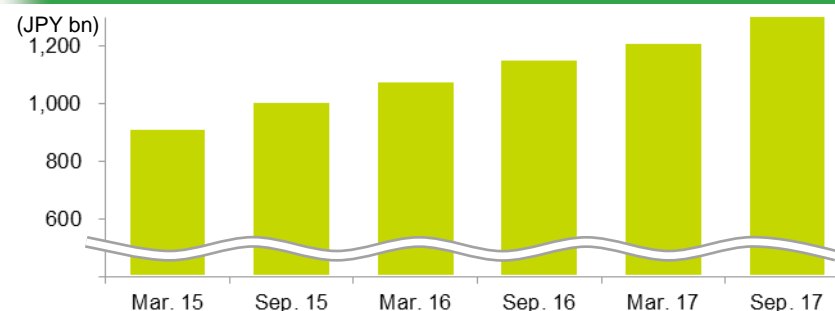
* Aggregate of overseas subsidiaries. Translated into JPY at respective period-end exchange rates

Financing / loan guarantee business

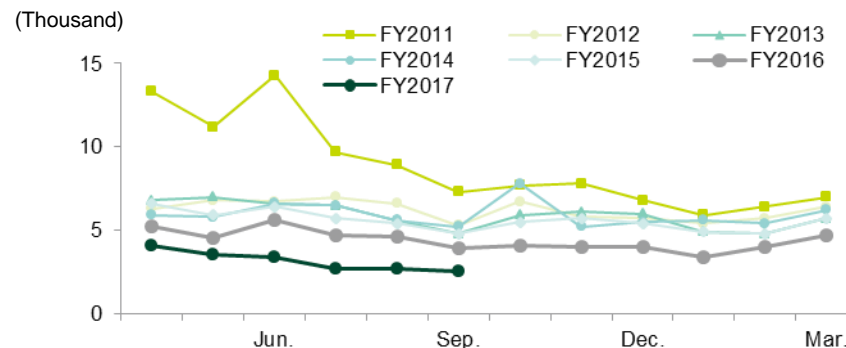
Consumer loans outstanding (domestic)



Loan guarantee amount



No. of interest refund claims

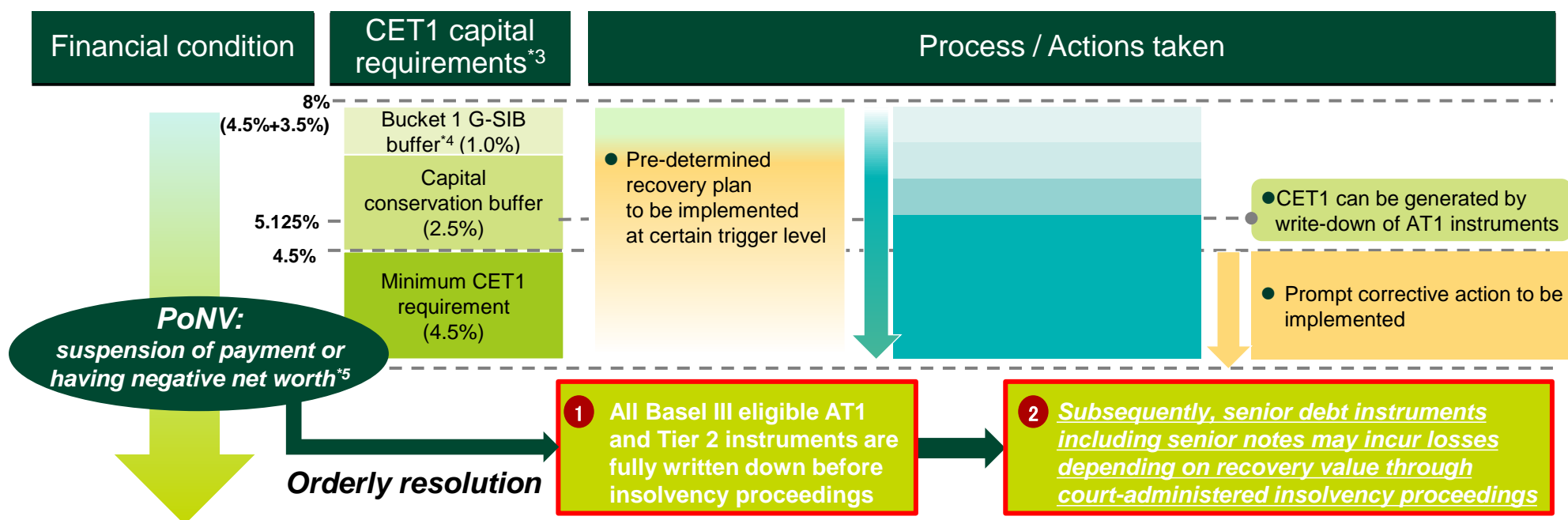


Safeguards before incurring losses at PoNV - capital requirement-based corrective measures

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. SMFG will also be required to meet various capital requirements, a breach of which will result in certain corrective measures

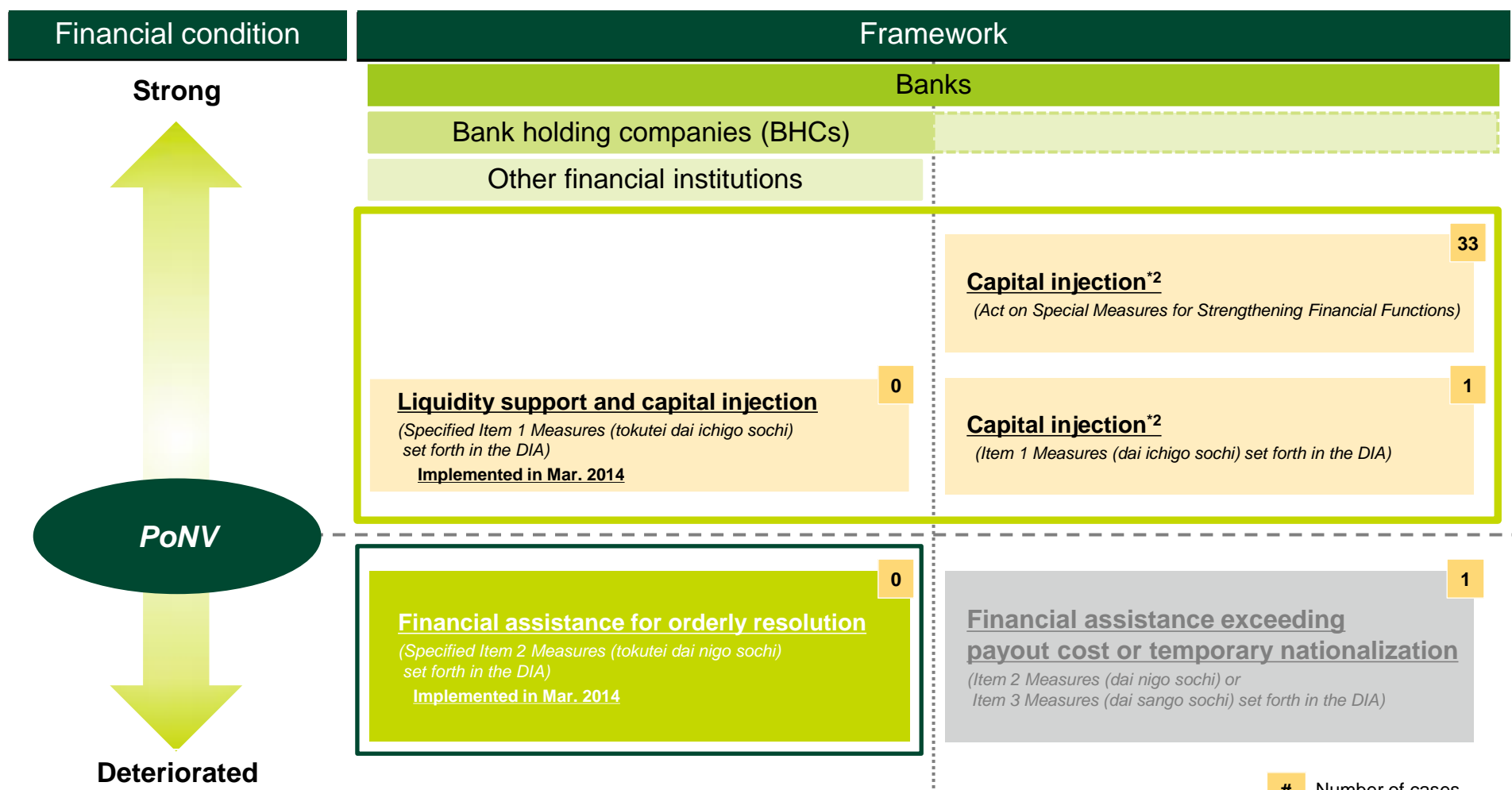


^{*1} Based on a possible model of Japanese G-SIB's resolution under the SPE resolution strategy as set out in "The FSA's Approach to Introduce the TLAC Framework" published in Apr. 2016 ("the FSA's Approach") ^{*2} Except for the amounts that have become due and payable prior to the occurrence of PoNV ^{*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 FSB in Nov. 2017 ^{*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 DIA, 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 DIA, as then in effect, need to be applied to a financial 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 DIA expanded the scope of institutions eligible for the safeguards to include financial holding companies and other financial institutions



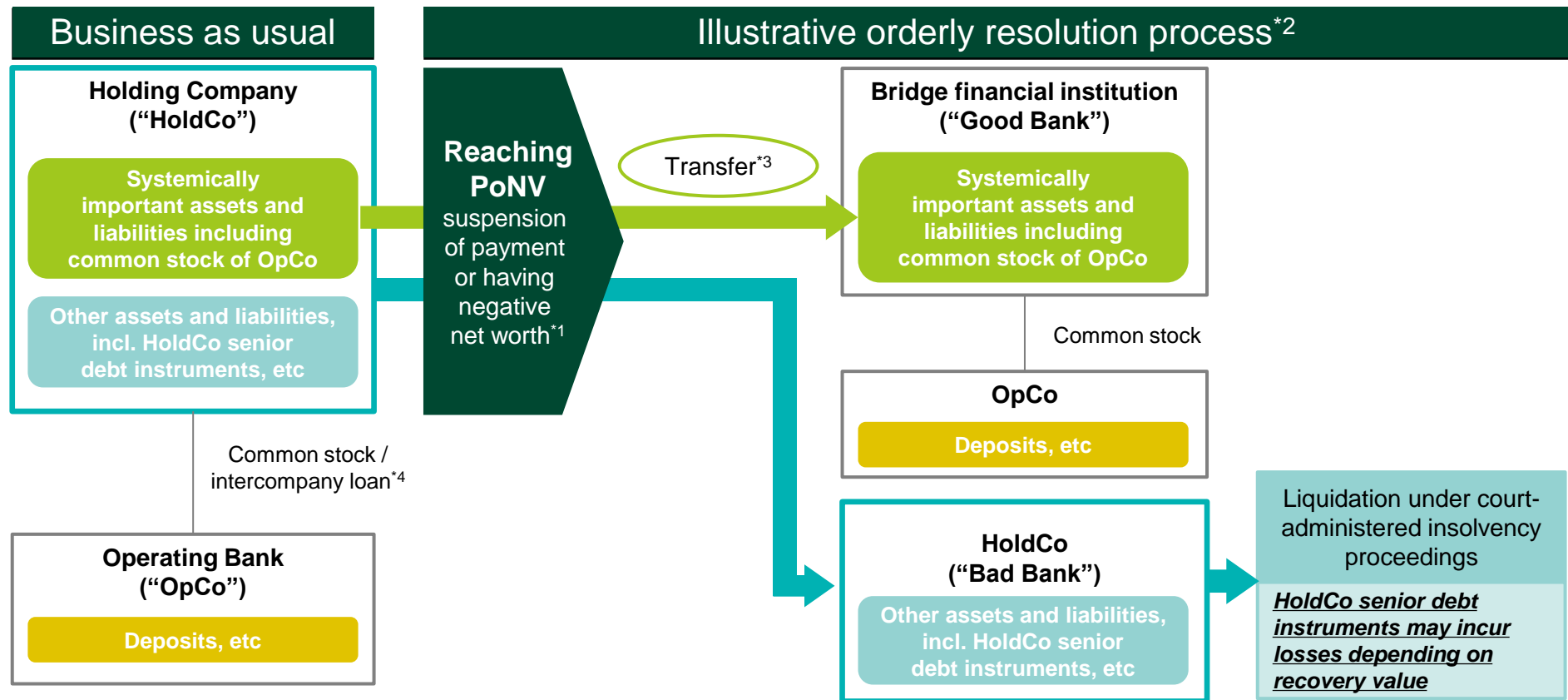
*1 There is no assurance that any such measures would be applied in any given case

*2 Capital injection may be made through BHCs

Orderly resolution regime in Japan

An orderly resolution is expected to be commenced subsequent to PoNV^{*1} after SMFG absorbs losses incurred by its material subsidiaries^{*2}

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 DIA, 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 DIA, 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 the SPE 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*2}	Precedents	Date	Amount (JPY bn)
Act on Special Measures for Strengthening Financial Functions <i>Capital injection</i>	Recent precedents of banks		
	Howa Bank	Mar. 2014	16.0
	Jimoto Holdings (Kirayaka Bank) ^{*3}	Dec. 2012	30.0
	Tohoku Bank	Sep. 2012	10.0
	77 Bank	Dec. 2011	20.0
	Tsukuba Bank	Sep. 2011	35.0
	Jimoto Holdings (Sendai Bank) ^{*3}	Sep. 2011	30.0
	Other precedents of banks before 2011	-	304.5 (12 cases)
	Precedents of credit associations (<i>Shinkumi</i> / <i>Shinkin</i>)	-	219.3 (15 cases)
			Total 664.8 (33 cases)
Article 102, Paragraph 1 of the DIA	Item 1 measures <i>Capital injection</i>	Resona Bank	Jun. 2003 1,960.0
	Item 2 measures <i>Financial assistance exceeding payout cost</i>	N.A.	N.A.
	Item 3 measures <i>Temporary nationalization</i>	Ashikaga Bank	Nov. 2003 N.A. ^{*4}

PoNV

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

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

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

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

Public sector support and point of non-viability in Japan

Framework			Systemic risk	Subject entities	Conditions	Point of non-viability
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
	Article 102 of Deposit Insurance Act (DIA)	Item 1 measures <i>Capital injection</i>	Required (Credit system in Japan or in a certain region)	Banks only	Undercapitalized	No
		Item 2 measures <i>Financial assistance exceeding payout cost</i>			Suspension of payment of deposits or having negative net worth*1	Yes*3
		Item 3 measures <i>Nationalization</i>			Suspension of payment of deposits and having negative net worth*1	
Newly established framework	Article 126-2 of DIA	Specified Item 1 measures <i>Liquidity support</i> <i>Capital injection</i>	Required (Financial system such as financial market in Japan)	Financial institutions including banks and BHCs	Not having negative net worth	No
		Specified Item 2 measures <i>Supervision or control and Financial assistance for orderly resolution</i>			Suspension of payment or having negative net worth*2	Yes*3

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

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

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

Credit ratings of G-SIBs (Holding companies, by Moody's / S&P)*

	Nov. 2017				
	Moody's		S&P		
Aaa					AAA
Aa1					AA+
Aa2					AA
Aa3					AA-
A1	SMFG • Bank of New York Mellon	• <i>Mizuho FG</i> • <i>MUFG</i> • State Street			A+
A2	• Standard Chartered • HSBC	• Wells Fargo	• Bank of New York Mellon • HSBC	• State Street • Wells Fargo	A
A3	• Goldman Sachs • JPMorgan	• Morgan Stanley	SMFG • Bank of America • ING • JPMorgan	• <i>Mizuho FG</i> • <i>MUFG</i> • UBS	A-
Baa1	• Bank of America • Citigroup	• ING • UBS	• Citigroup • Credit Suisse • Goldman Sachs	• Morgan Stanley • Standard Chartered	BBB+
Baa2	• Barclays	• Credit Suisse	• Barclays		BBB
Baa3	• RBS		• RBS		BBB-

* Long-term issuer ratings (if not available, Senior unsecured ratings for Moody's) of holding companies

Credit ratings of G-SIBs (Operating banks, by Moody's)*

	Apr. 2001	Jul. 2007	Nov. 2017
Aaa		<ul style="list-style-type: none"> Bank of America Bank of New York Mellon Citibank JPMorgan Chase Bank Royal Bank of Canada Royal Bank of Scotland UBS Wells Fargo Bank 	
Aa1	<ul style="list-style-type: none"> Bank of America Crédit Agricole Wells Fargo Bank UBS 	<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 Canada Royal Bank of Scotland State Street Bank & Trust 	SMBC BTMU	<ul style="list-style-type: none"> Bank of New York Mellon Wells Fargo Bank Mizuho Bank UniCredit
Aa3	<ul style="list-style-type: none"> Banco Santander BNP Paribas Deutsche Bank Société Générale UniCredit 	<ul style="list-style-type: none"> Goldman Sachs Bank Morgan Stanley Bank 	<ul style="list-style-type: none"> BNP Paribas HSBC Bank ING Bank JPMorgan Chase Bank Nordea 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 ICBC 	SMBC <ul style="list-style-type: none"> Bank of America Bank of China Barclays Bank BTMU China Construction Bank Citibank Crédit Agricole Credit Suisse Goldman Sachs Bank ICBC Mizuho Bank Morgan Stanley Bank Royal Bank of Canada Standard Chartered UBS
A2	<ul style="list-style-type: none"> BTMU Standard Chartered 	<ul style="list-style-type: none"> China Construction Bank Standard Chartered 	<ul style="list-style-type: none"> Agricultural Bank of China Royal Bank of Scotland Société Générale
A3	SMBC <ul style="list-style-type: none"> Mizuho Bank 		<ul style="list-style-type: none"> Banco Santander
Baa1	<ul style="list-style-type: none"> Agricultural Bank of China Bank of China China Construction Bank ICBC 		<ul style="list-style-type: none"> UniCredit
Baa2			<ul style="list-style-type: none"> Deutsche Bank

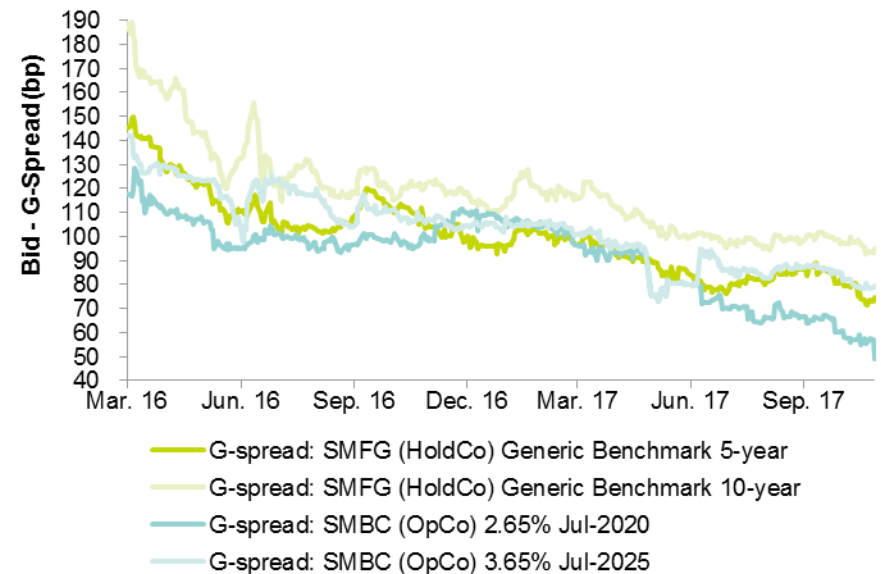
* Long-term issuer ratings (if not available, long-term deposit ratings) of operating banks

SMFG USD denominated senior notes

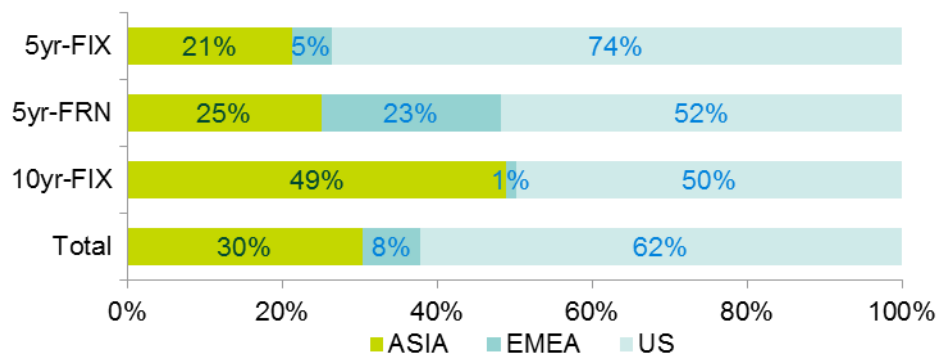
Transaction summary

	5-year Senior Fixed Rate Notes	5-year Senior Floating Rate Notes	10-year Senior Fixed Rate Notes
Issuer	SMFG		
Securities Offered	Senior Notes (the "Notes")		
Regulatory Treatment	It is expected that the Notes will count as "external TLAC" as defined in the FSB's final TLAC standards*1 when the regulation is implemented in Japan		
Maturity	5 years		10 years
Amount	\$1,250mn	\$500mn	\$750mn
Coupon	2.778%	US\$3m Libor + 74bp	3.352%
Spread	UST+82bp	US\$3m Libor + 74bp	UST+100bp
Ratings	A1 (Moody's) / A- (S&P)		
Listing	Luxembourg Stock Exchange's Euro MTF Market		
Pricing Date	Oct. 11, 2017		
Format	SEC Registered		

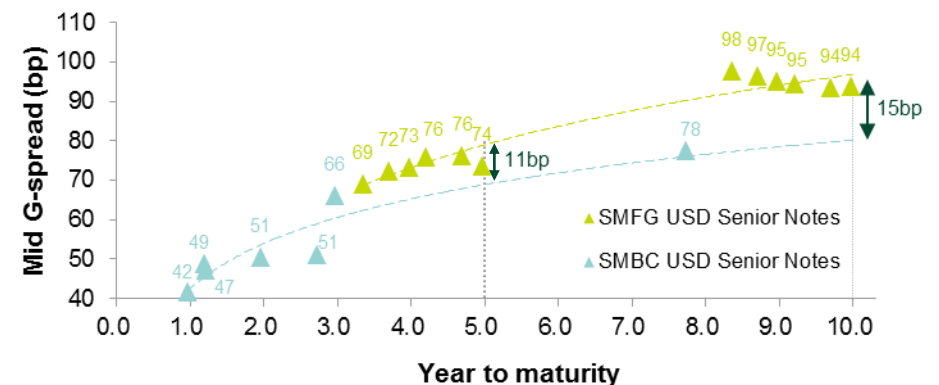
Secondary performance*2



Geographical breakdown of allocation



SMFG / SMBC credit curve (USD G-spread)*2



*1 Principles on Loss-Absorbing and Recapitalisation Capacity of G-SIBs in Resolution, TLAC Term Sheet published by the FSB on Nov. 9, 2015. TLAC requirements have not yet been adopted or proposed in Japan and there is no assurance that such TLAC requirements will be the same as the FSB's final TLAC standards or that Senior Notes will qualify as TLAC under such requirements

*2 Source: Bloomberg, as of Oct. 31, 2017

ESG (1)

- Enhance governance framework by transforming into a Company with Three Committees.
Revised the executive pay system in order to ensure the management is well aligned with the shareholder perspective
- Issued green bonds to enhance environmental businesses
- Included in ESG indices selected by GPIF

Governance

Transforming into a Company with Three Committees

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

Outside directors

- Increased the number of Outside directors from five to seven
(ratio against the total number of Directors increased from 36% to 41%)
- Arranged a small meeting with Outside director for investors

Introduction of New Stock Compensation Plans for Executives utilizing restricted stock

- Introduced compensation that is linked to financial targets of the medium-term management plan and to our stock performance
- Raise the ratio of stock-based compensation
- Strengthen risk management through the introduction of a system for (a) partial deferral of bonuses and (b) reducing or returning compensation (Malus and Clawback)

Advisor (Komon) system

- There are currently one advisor (Komon) in SMFG, and eight in SMBC who are former Chairman or President.
Advisor (Sodanyaku) system has been abolished in 2002
- Advisors are not involved in any management decision process

Environment, Society

Issued Euro-denominated green bond (Oct. 2017, EUR 500 mn)

- Outline**
- First Euro-denominated green bond (TLAC bond) issued by SMFG^{*1}
 - First project in line with the Green Bond Guidelines^{*2}
 - Obtained a second opinion from Sustainalytics

- Objective**
- Support to achieve the Sustainable Development Goals (SDGs)
 - Enhance environmental businesses
 - Meet investor's needs

Included in Nadeshiko Brand selection (in 2013, 2015, 2017)



^{*1} SMBC issued green bond in 2015

^{*2} "Green Bond Guidelines, 2017" (established by the Ministry of the Environment in March 2017)

Included in ESG indices selected by GPIF




















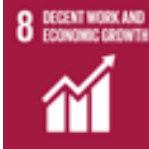




FTSE Blossom
Japan



2017 Constituent
MSCI Japan ESG
Select Leaders Index

- Contributing to realize Sustainable Development Goals (SDGs) through promotion of activities focusing on “Environment”, “Next Generation” and “Community”

	Priority Issues (Materiality)	Relevant SDGs								Initiatives
E	Environment								<ul style="list-style-type: none">➢ Supporting renewable energy➢ Following the Equator Principles➢ Green bonds and environmental assessment loans	
S	Next Generation						<ul style="list-style-type: none">➢ Financial education in Japan and overseas➢ Supporting human resources cultivation➢ Supporting international students			
	Community								 <ul style="list-style-type: none">➢ Diversity & Inclusion (female participation, LGBT, foreign officers)➢ Working styles reform	
G	Management base								<ul style="list-style-type: none">➢ Enhancing governance➢ Compliance	

focused targets

SMFG / SMBC's Green Bond Initiative

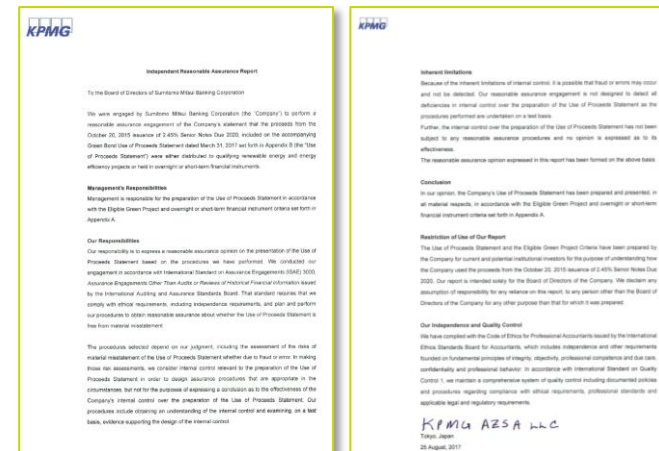
- SMBC took a market leadership role as the first megabank in Japan to issue a green bond in October 2015 (“SMBC GB”), to meet increased demand from investors for responsible investments
- SMFG's green bond issued in October 2017 (“SMFG GB”) is the first bond by a Japanese issuer that is aligned with the four pillars of “The Green Bond Guidelines” by the Ministry of the Environment Japan and “The Green Bond Principles” by the International Capital Market Association

Overview of SMFG / SMBC's green bond Issuance

	SMBC GB	SMFG GB
Issuer	Sumitomo Mitsui Banking Corporation	Sumitomo Mitsui Financial Group
Currency	US\$	EUR
Issue Amount	US\$ 500mm	EUR 500mm
Pricing date	Oct. 14, 2015	Oct. 4, 2017
Issue date	Oct. 20, 2015	Oct. 11, 2017
Maturity	5 years	7 years
Coupon	2.45%	0.934%
Independent Review	KPMG AZSA LLC ^{*1}	Sustainalytics ^{*2}

SMBC GB Annual Reporting

KPMG Attestation Letter



Green Impact Report^{*3}

Green Impact 2017			
The table below shows the estimated annual Green Impact of each project funded by the proceeds of the SMBC Green Bond. The Green Impact of each renewable energy project is shown in terms of CO ₂ emissions reduction.			
as of MAR.31 2017			
Area	Category	Capacity	Estimated Annual Green Impact
Renewable Energy	Wind	1,426MW	2,322,782 t-CO ₂
	Biomass	433,953 t/pa	82,521 t-CO ₂
	Solar	50 MW	8,256 t-CO ₂
	Total CO ₂ reduction		2,413,560 t-CO ₂

Note1: Estimated Annual Green Impact is calculated by the Japan Research Institute, using SMBC inputs and data from the International Energy Agency (IEA) and the Agency for Natural Resources and Energy.

Note2: The calculations do not account for the percentages of project financing (share of financing) attributable to SMBC as a proportion of total project cost.

^{*1} The attestation letter by KPMG as of Mar. 31 2017 can be found at http://www.smbc.co.jp/aboutus/responsibility/environment/green_bond/green_bond_e.html

^{*2} The second opinion by Sustainalytics can be found at http://www.sustainalytics.com/wp-content/uploads/2017/09/SMFG_Green-Bond-Framework-and-Opinion_final.pdf

^{*3} Estimated figures as of Mar 31 2017. See here for further details: http://www.smbc.co.jp/aboutus/responsibility/environment/green_bond/green_impact_2017_e.html

Key aspects of SMFG's Green Bond based on Green Bond Principle 2017

1. Use of proceeds

- The net proceeds will be allocated to Eligible Green Projects
 - (a) Renewable energy
 - (b) Energy efficiency
 - (c) Green buildings
 - (d) Clean transportation
 - (e) Pollution prevention & control
- Look back period: [24] month
- Category based on equator principles: Category B or C

Project
category

2. Project evaluation and selection

- SMFG's CSR dept. and corporate treasury dept. establishes the eligible project criteria
- SMBC's environmental analysis dept. assesses social and environmental risk and categorizes projects into category A to C based on the equator principles
- SMBC's structured finance dept. evaluates credit of projects and selects the projects which meet the eligible project criteria with the support by JRI, and the corporate treasury dept. determines the Eligible Green Projects to invest in

3. Management of proceeds

- SMFG will keep a list of all the Eligible Green Project loans and manage the balance for each Green Bond Project
- Pending proceeds will be invested in overnight or other short-term financial instruments
- Payment of the principal and interest on the Green Bonds will be made from the general funds of SMFG and will not be directly linked to the performance of any Eligible Green Project

4. Reporting

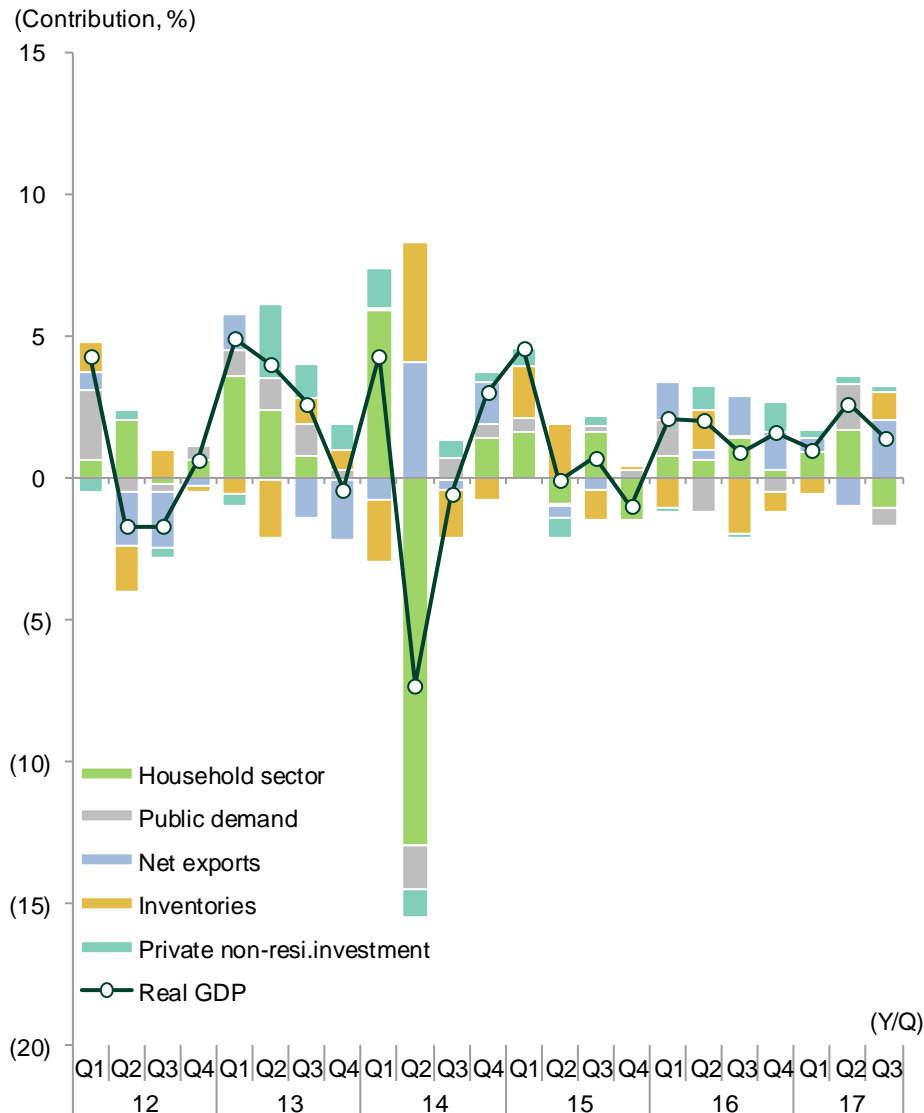
- SMFG will update information on the allocation of the net proceeds to the Eligible Green Projects
 - Project category, current funded amounts, initial funding dates and contractual maturity dates, and
 - Assertions made by SMFG's management on the allocation, accompanied by a report from **Sustainalytics**
- SMFG will also report an estimate of the expected tons of CO₂ emission equivalent avoided through Renewable Energy Projects, in conjunction with support from **JRI**



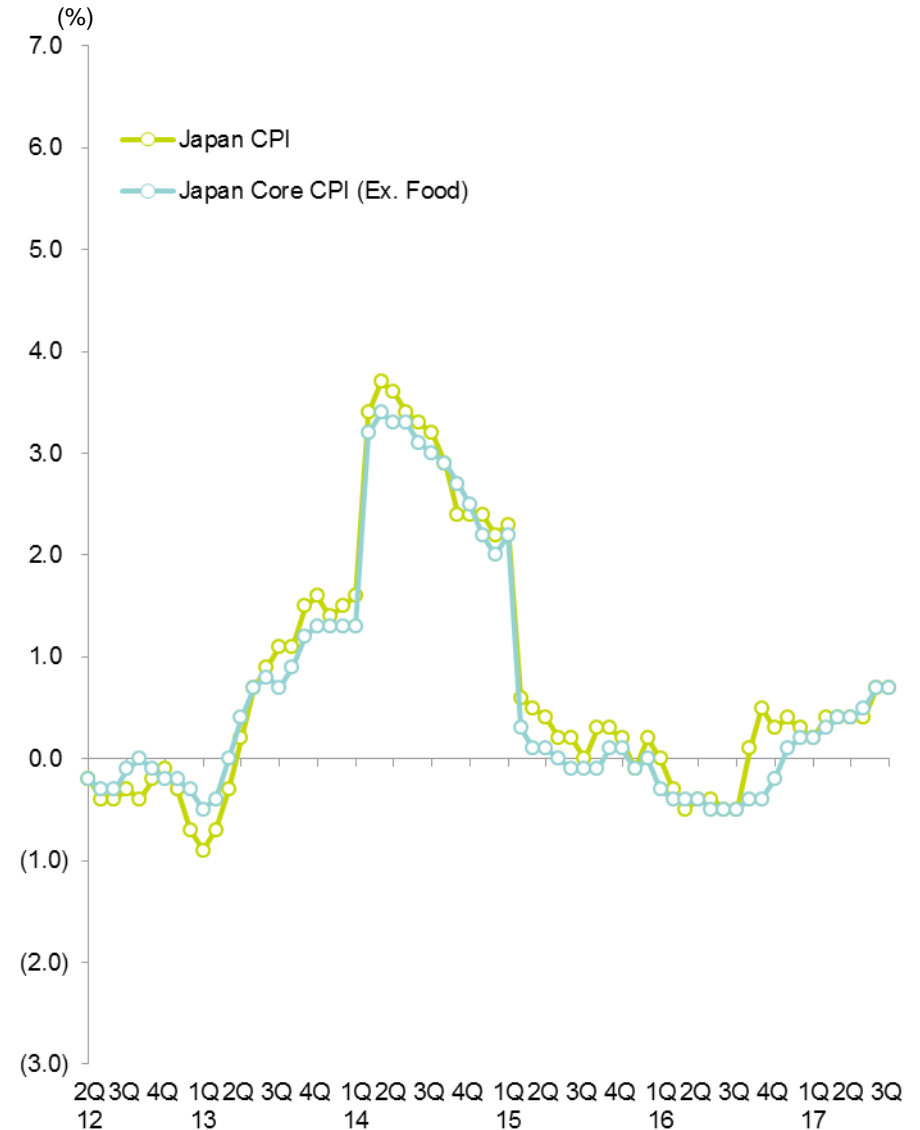
Japan Research Institute

Current Japanese economy

Real GDP growth rate (annualized QOQ change)*1



Consumer price index (YOY change)*2

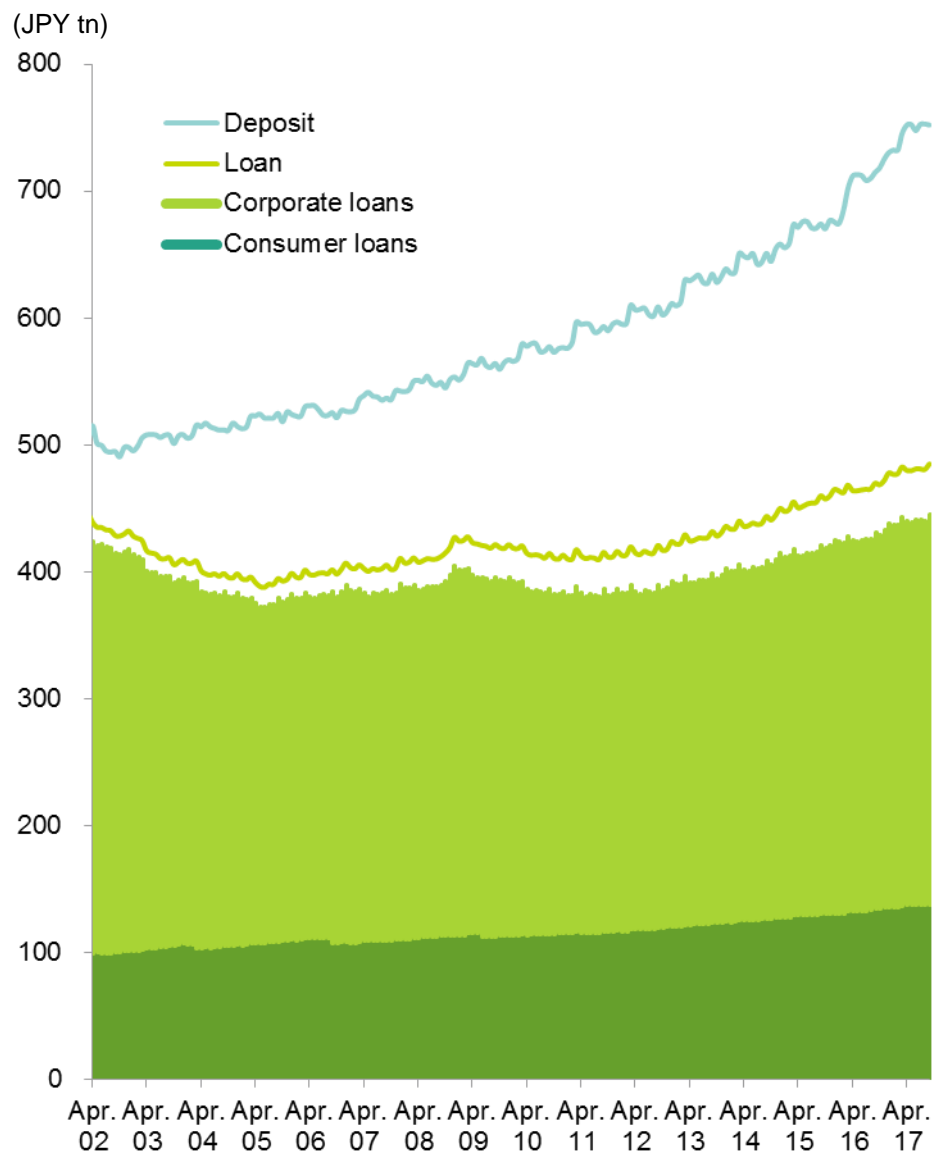


*1 Source: Cabinet Office. Seasonally adjusted series. Household sector = Private consumption + Private residential investment, Inventories = Change in private and public inventory, Public demand = Government consumption + Public investment

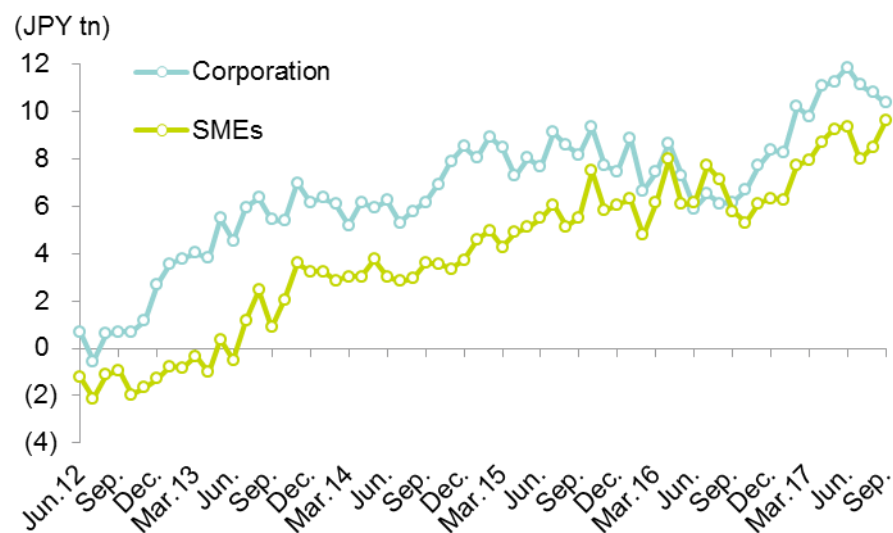
*2 Source: Statistics Bureau & SMBC Nikko. CPI: All items, Core CPI: All items, less fresh foods

Trends of loan and deposit balance in Japan*1

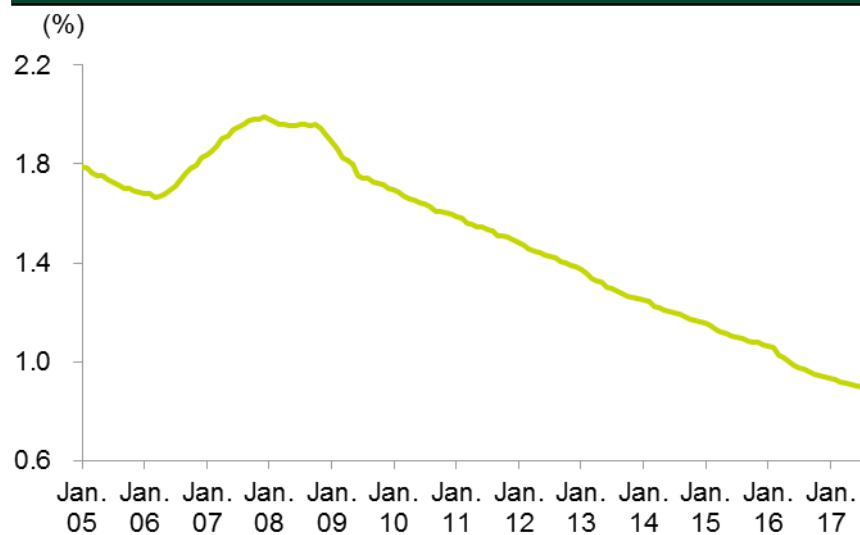
Loan and deposit balance of domestic banks



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. 2015, JPY tn)^{*1}

Closing assets		10,219	Closing liabilities plus net worth		10,219
	Households	2,864		Households	381
	Financial assets	1,818		Non-financial corporations	1,714
	Non-financial assets	1,046		Stocks	827
	Land	682		Financial corporations	3,541
	Non-financial corporations	2,235		Stocks	132
	Financial assets	1,124		General government	1,262
	Non-financial assets	1,111		Closing liabilities	6,929
	Land	275		Net worth	3,290
	Financial corporations	3,665		Households	2,483
	General government	1,325		Non-financial corporations	522
	Financial assets	634		Financial corporations	124
	Financial assets	7,268		General government	63
	Non-financial assets	2,951			

*1 Source: Cabinet Office

*2 Source: IMF Stat. The figures shown in the graph are from 2009 to 2015

*3 Source: Ministry of Finance Japan. As of Dec. 31, 2016

Net international investment position ^{*2}

