



# Investor Presentation

**Koichi Miyata, President**  
**Sumitomo Mitsui Financial Group, Inc.**

**February & March, 2013**



**SMFG** SUMITOMO MITSUI  
FINANCIAL GROUP

# ■ Today's Agenda

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1. Overview of SMFG
2. Our strengths
3. Growth strategy
4. In closing



# 1. Overview of SMFG

## Group structure (Apr. 2003)

SMFG was formed Dec. 2002

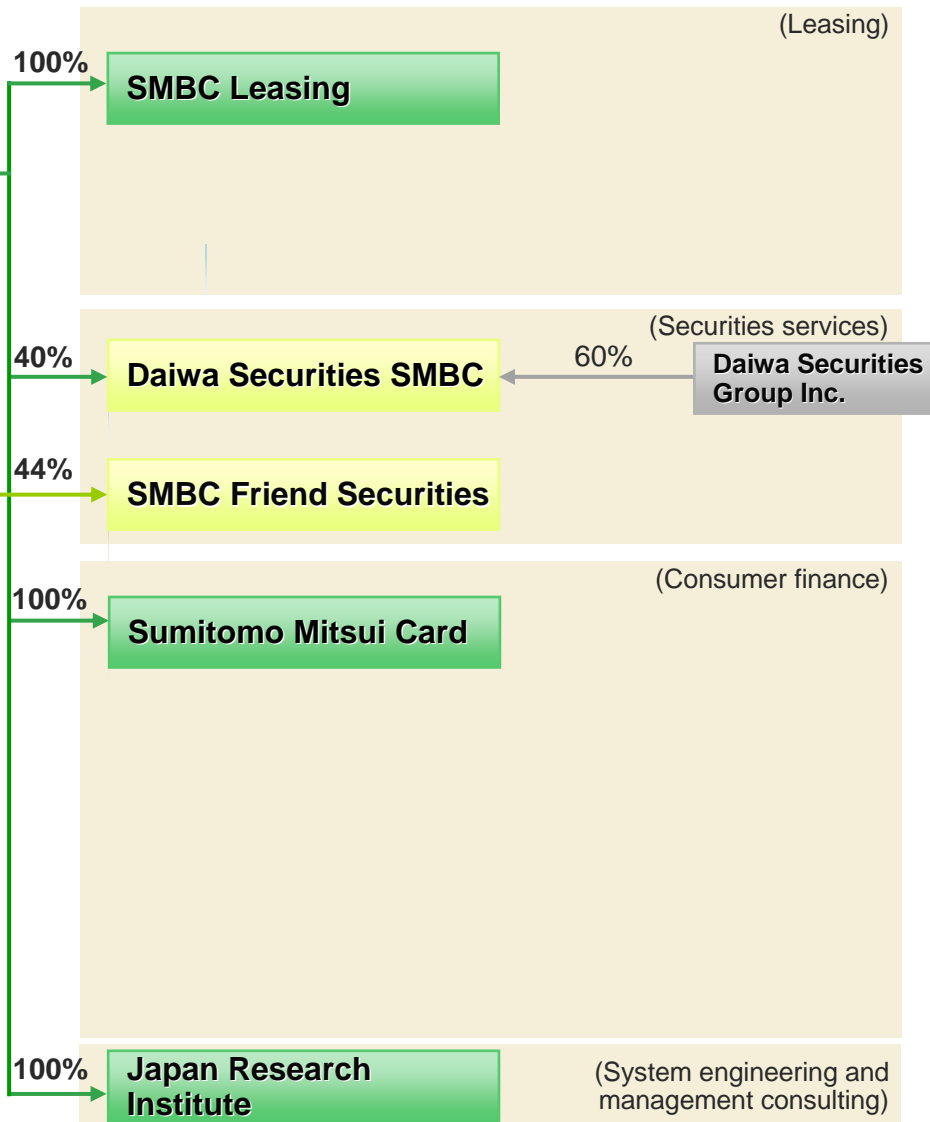


**Sumitomo Mitsui Financial Group**



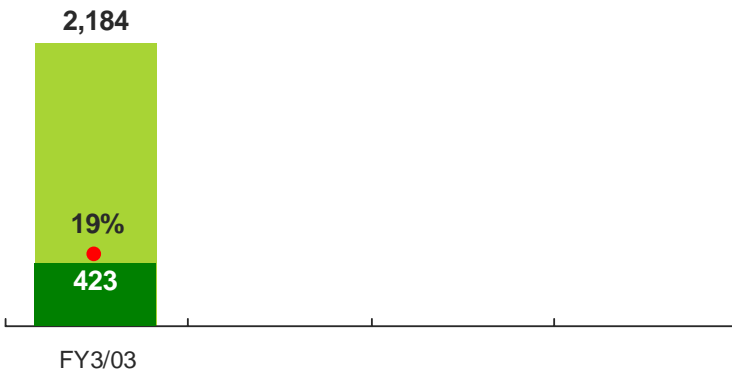
**Sumitomo Mitsui Banking Corporation**

100%



Consolidated gross profit and variance with SMBC non-consolidated (JPY bn)

—●— composition of group companies



# 1. Overview of SMFG

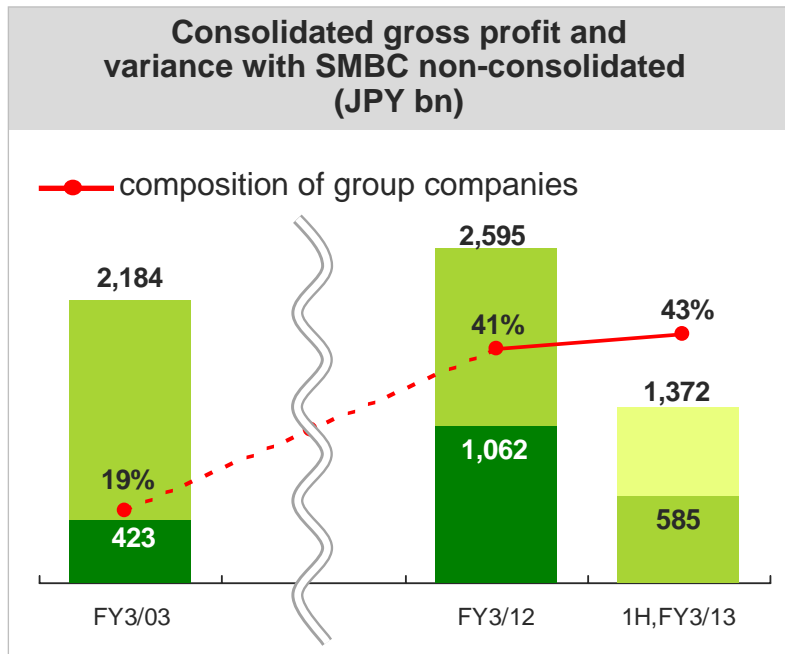
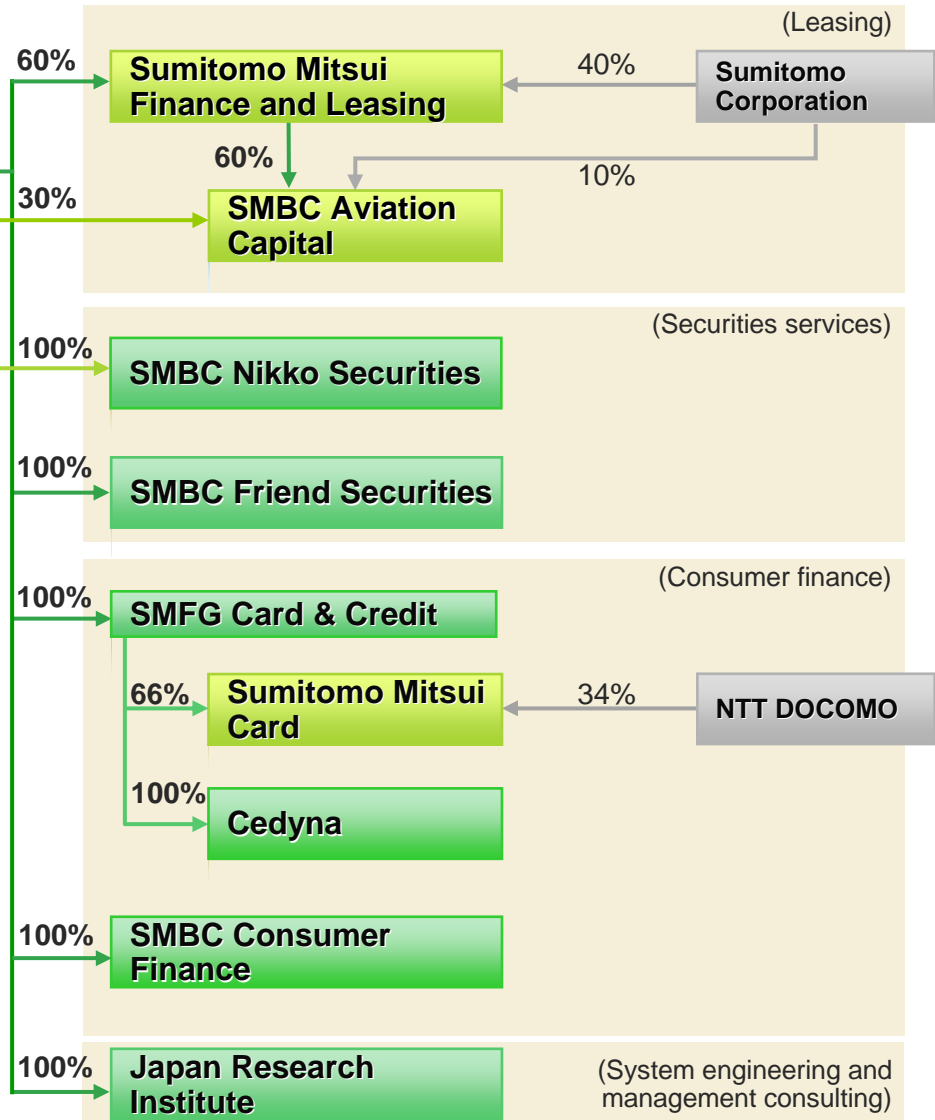
## Group structure (Feb. 2013)



**Sumitomo Mitsui Financial Group**



**Sumitomo Mitsui Banking Corporation**



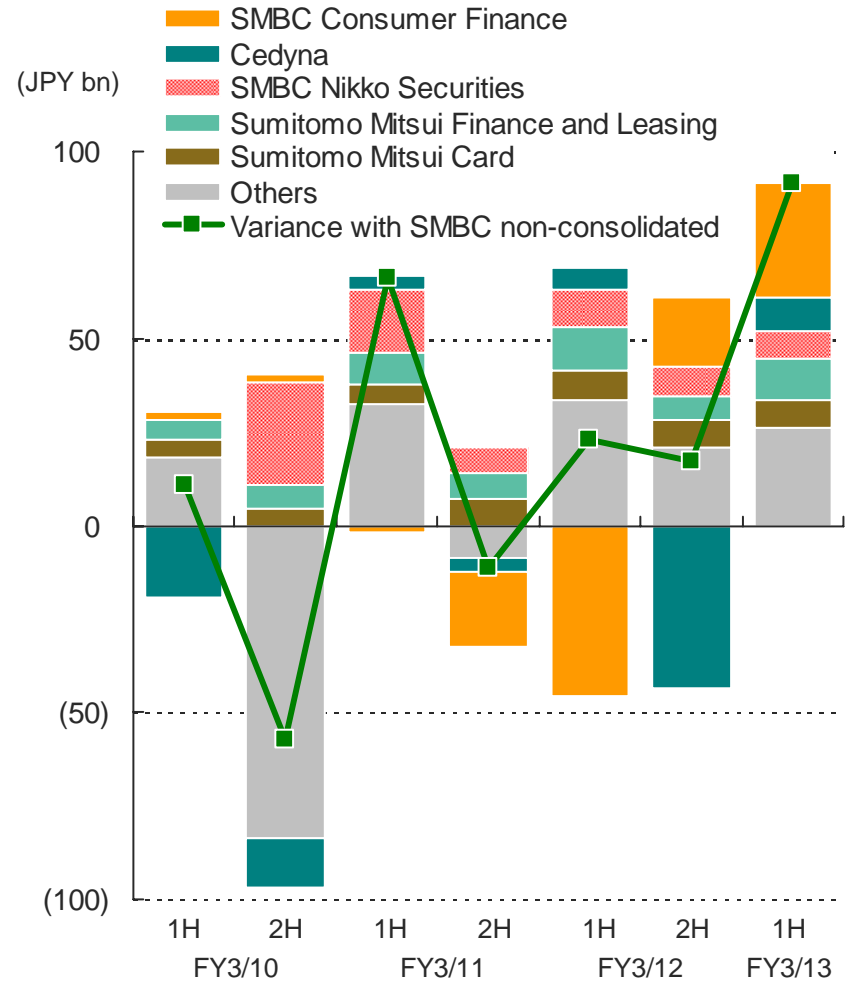
# 1. Overview of SMFG

## Financial performance

### P/L (Apr.-Dec. 2012 results)

		Apr.-Dec. 2012 results	YOY change	FY3/2013 (Nov. forecast)
(JPY bn)				
SMFG <consolidated>	<b>Ordinary profit</b>	829.7	+68.5	830
	Variance with SMBC non-consolidated	316.7	+78.9	340
	<b>Net income</b>	550.4	+139.4	540
	Variance with SMBC non-consolidated	145.0	+77.9	140
SMBC <non-consolidated>	<b>Gross banking Profit</b>	1,165.5	+0.8	1,490
	of which Gains (losses) on bonds	133.2	(9.1)	
	<b>Expenses<sup>*1</sup></b>	(538.0)	(5.1)	(720)
	<b>&lt;OHR&gt;</b>	46.2%	+0.4%	48.3%
	<b>Banking profit<sup>*2</sup></b>	627.5	(4.3)	770
	<b>Total credit cost</b>	30.2	+54.9	(80)
	<b>Gains (losses) on stocks</b>	(68.9)	(13.1)	
	<b>Ordinary profit</b>	513.0	(10.4)	490
	<b>Net income</b>	405.4	+61.5	400

### Contribution to SMFG's Net income



\*1 Excluding non-recurring losses

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

# 1. Overview of SMFG

## Balance sheet and Core Tier I ratio on a SMFG's consolidated basis

B/S (as of Sep. 2012)

**Total assets : JPY 139.4tn**

Loans:  
**JPY 61.7tn**

Deposits,  
Negotiable  
certificates  
of deposit (NCD):

**JPY 94.2tn**

Securities:  
**JPY 39.7tn**

JGB:  
**JPY 28.2tn**

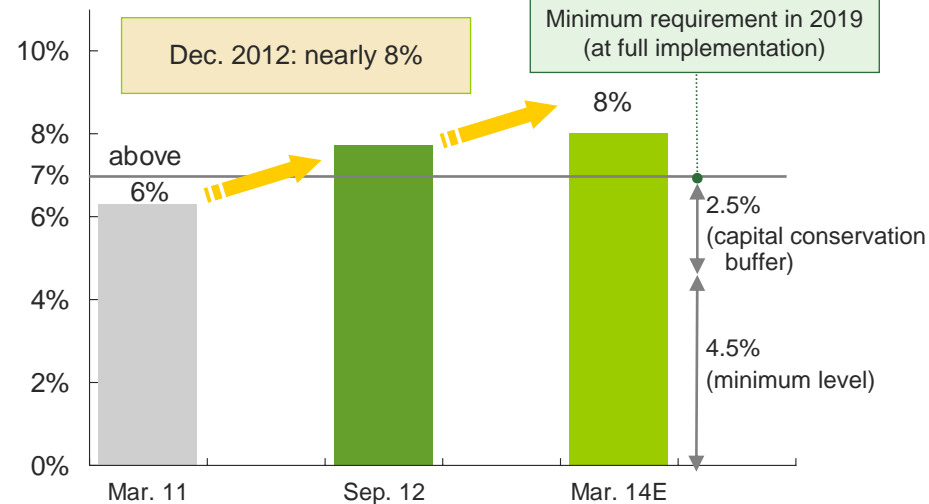
Other liabilities:  
**JPY 37.9tn**

Other assets:  
**JPY 38.0tn**

Total net assets:  
**JPY 7.3tn**

Total stockholders' equity:  
**JPY 5.2tn**

**Core Tier I ratio\*1**  
Basel III fully loaded basis\*2



**Balance sheet related items**

	Sep.30, 2012
Loan to deposit ratio	65.5%
Risk-weighted assets	JPY 49.3 tn
Tier I ratio	13.18%
Net assets per share	JPY 3,966.30
ROE (Denominator: Total stockholders' equity)	12.8%

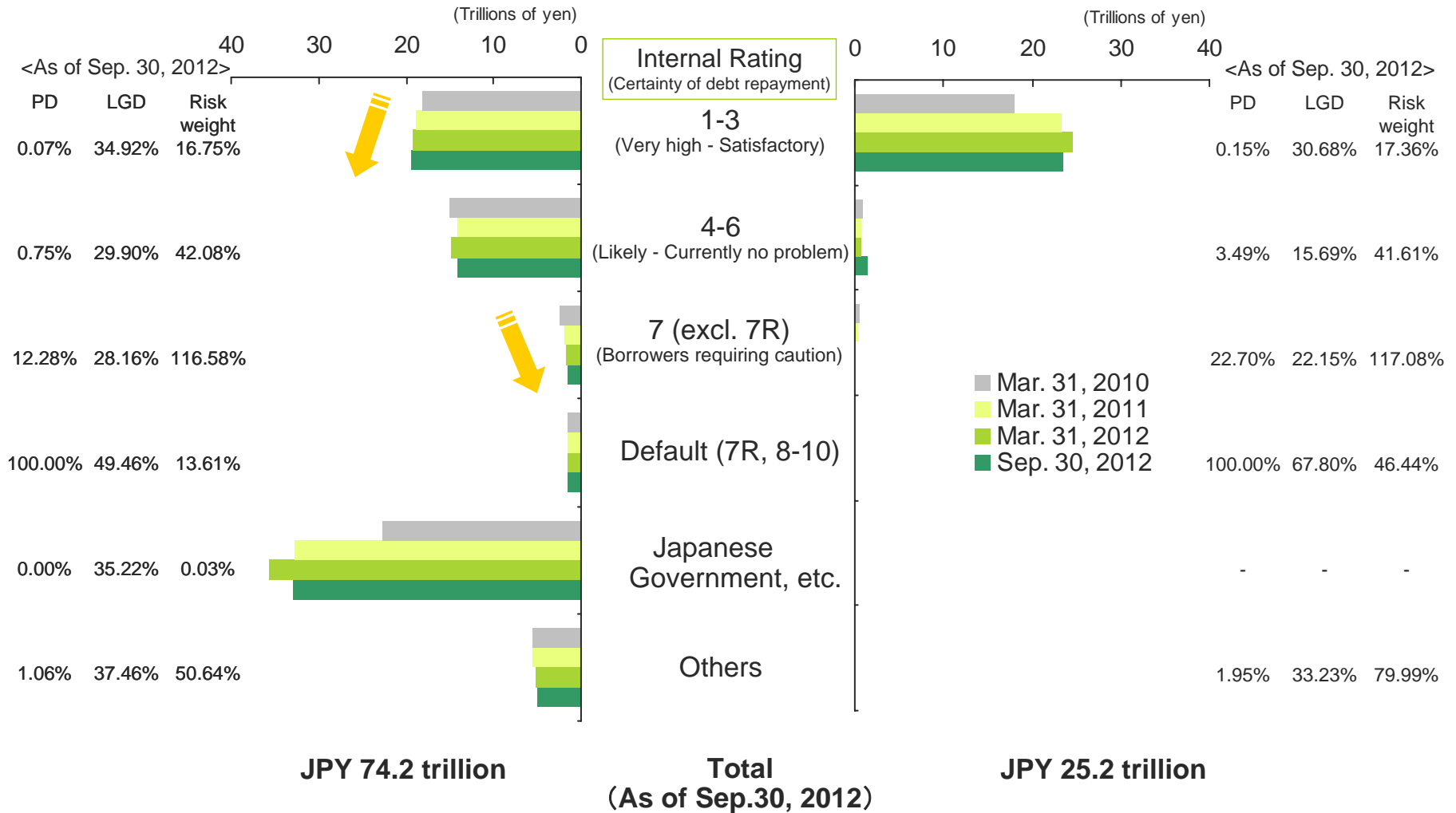
\*1 Pro forma. Common Equity Tier 1 ratio under Basel III \*2 Regulatory adjustments are fully deducted

# 1. Overview of SMFG

## Corporate, Sovereign and Bank Exposures on a SMFG's consolidated basis

Domestic

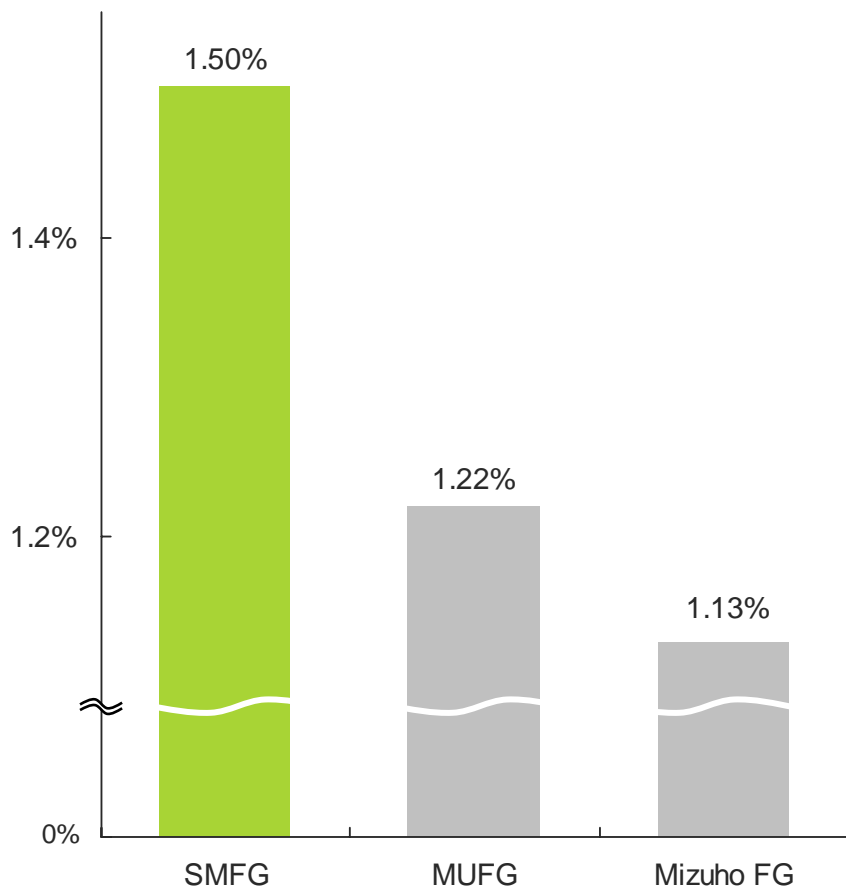
Overseas



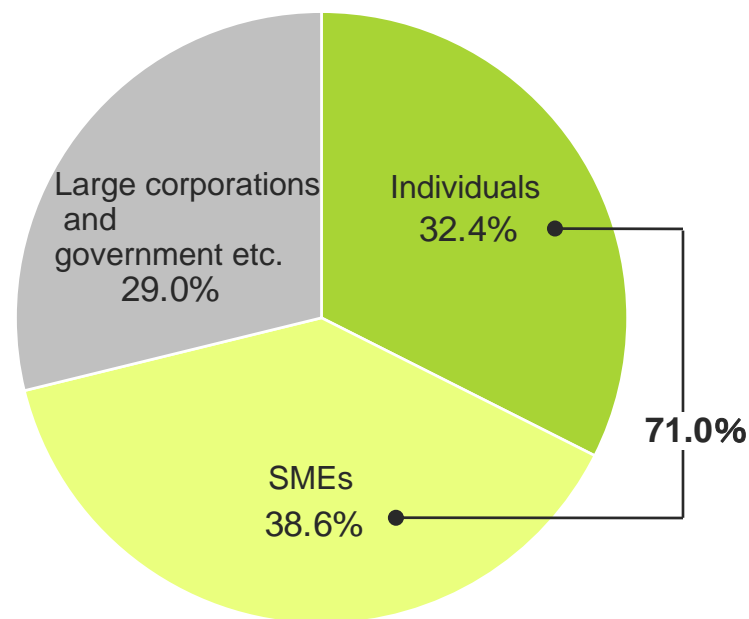
## 2. Our strengths

### Profitability (1)

Domestic loan-to-deposit spread (1H, FY3/2013)\*1,2



Composition of SMBC's domestic loans (as of Sep. 2012)



\*Proportion of loans to individuals & SMEs\*2  
MUFG: 61.1%, Mizuho FG: 59.0%

\*1 Based on each company's disclosure.

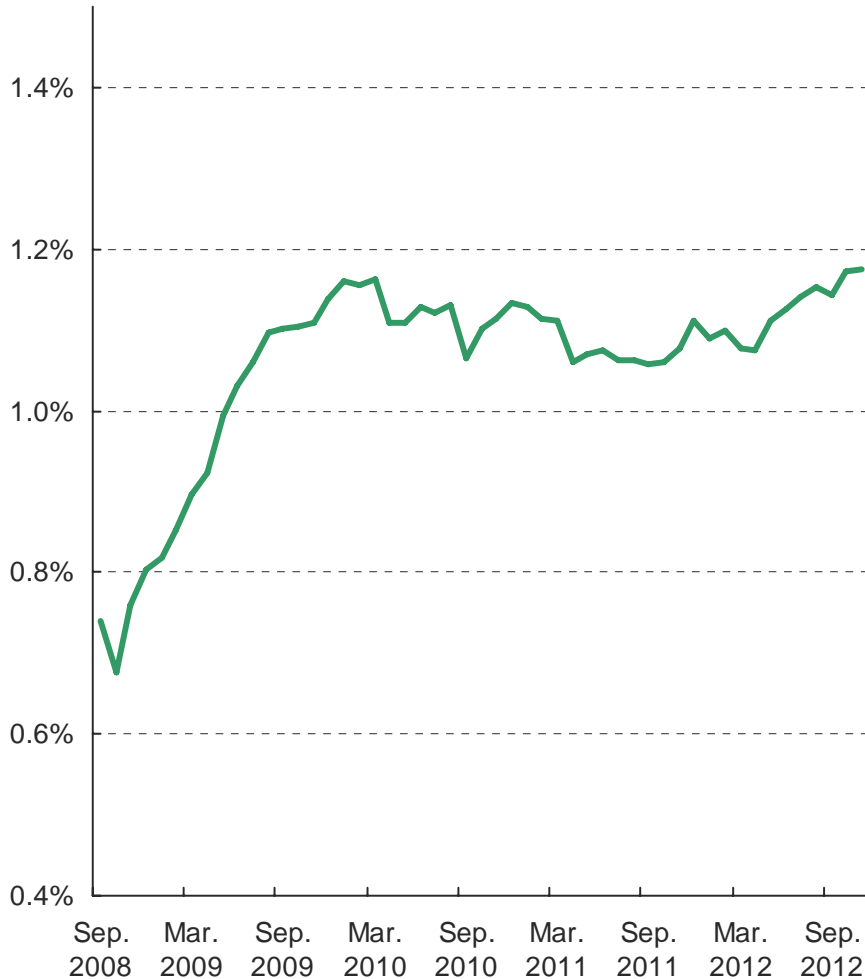
\*2 The figures shown in the graph are: non-consolidated figures of SMBC for SMFG, non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ for MUFG, and sum of non-consolidated figures of Mizuho Bank and Mizuho Corporate Bank for Mizuho FG



## 2. Our strengths

### Profitability (2)

#### Overseas loan spread\*



\* Managerial accounting basis

#### Financial products with competitive edge

##### Project finance

- **Global Bank of the Year 2012**  
(Project Finance International)



##### Loan syndication

- **#1 in Asia (excl. Japan)**  
all international currency syndicated  
and club loans  
(Thomson Reuters)

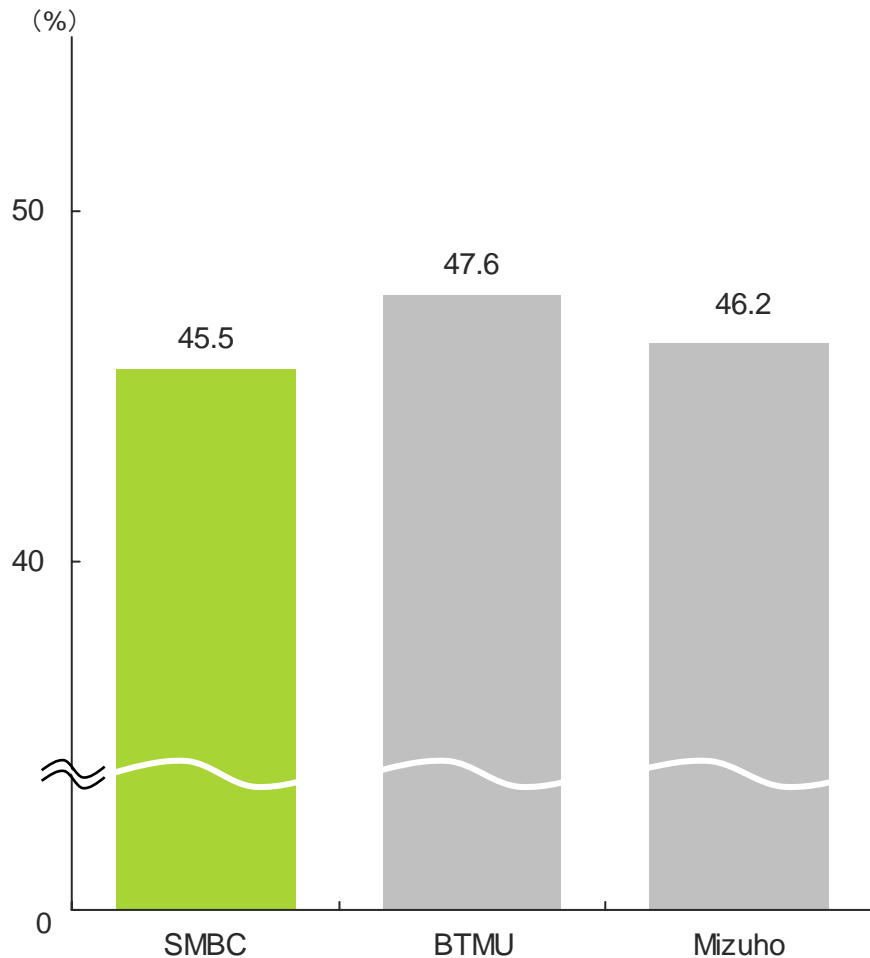
##### Cash management Services

- **#1 in Asia Pacific among Japanese banks**  
for seven consecutive years  
(ASIAMONEY)

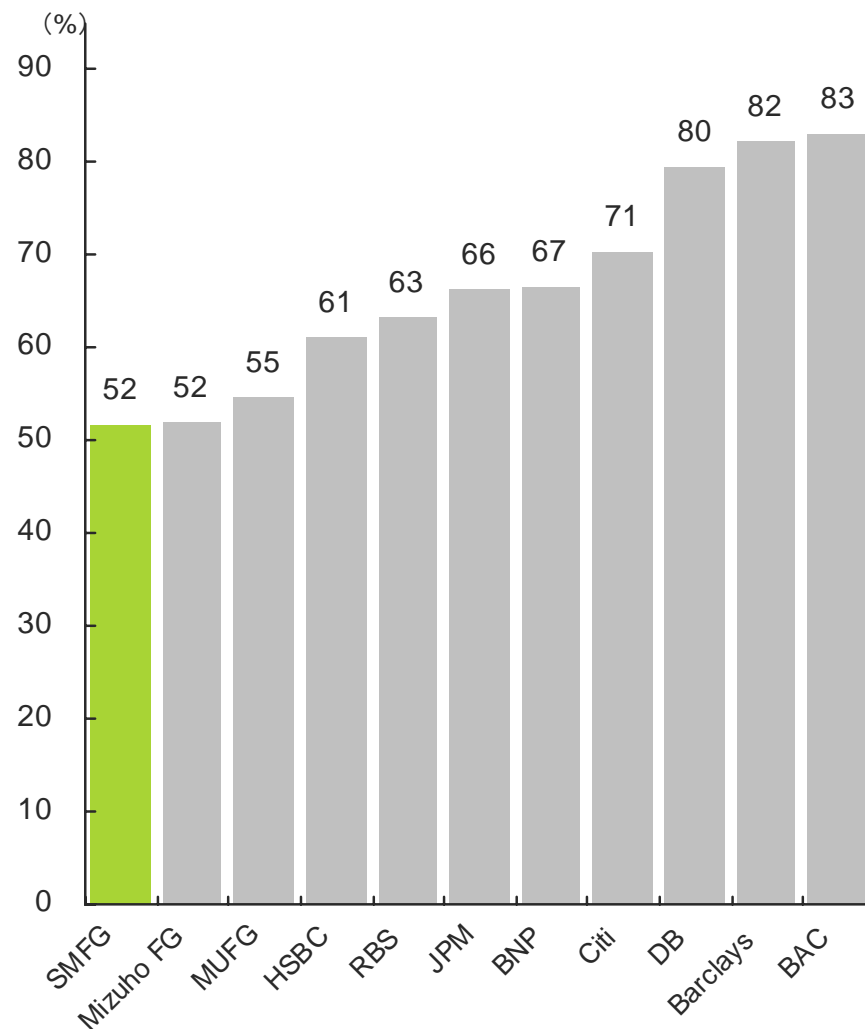
## 2. Our strengths

### Efficiency

Overhead ratio <sup>\*1</sup> (1H, FY3/2013)



OHR on group consolidated basis <sup>\*2</sup>



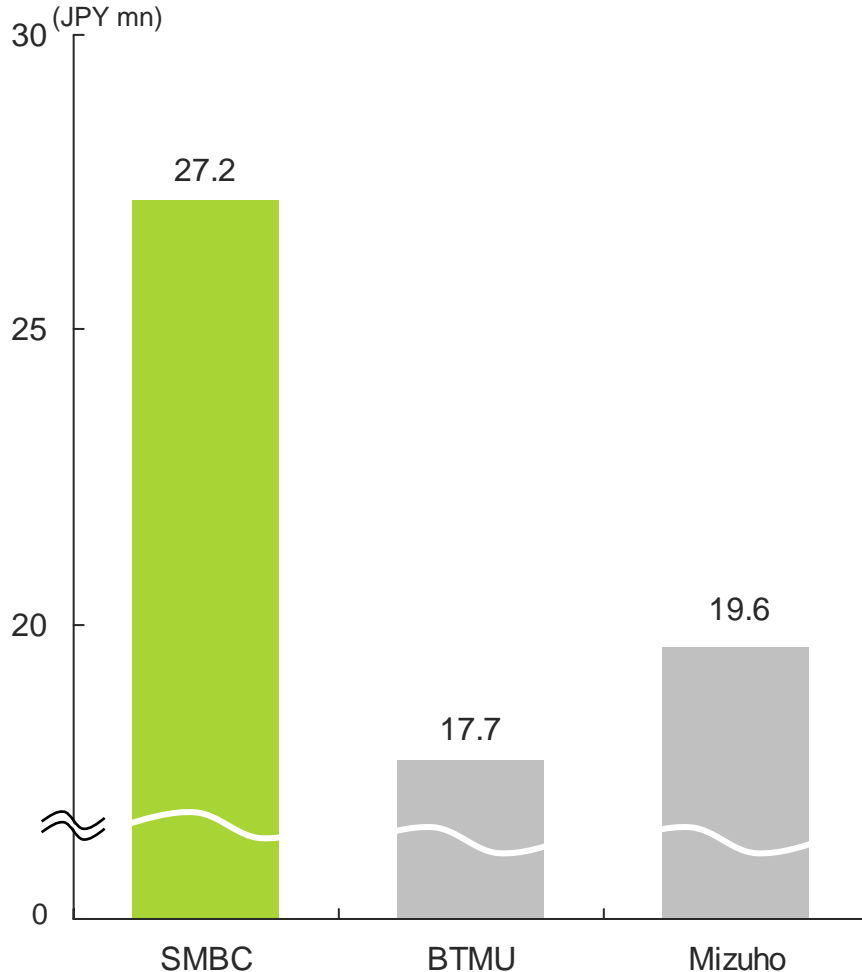
<sup>\*1</sup> Based on each company's disclosure. The figures shown in the graph are: non-consolidated figures of SMBC and BTMU, and sum of Mizuho Bank and Mizuho Corporate Bank for Mizuho

<sup>\*2</sup> Based on each company's disclosure. G&A expenses (for Japanese banks, excluding non-recurring losses) divided by top-line profit (net of insurance claims).  
1H, FY3/2013 results for SMFG, MUFG and Mizuho FG, and 3Q, FY12/2012 results for others

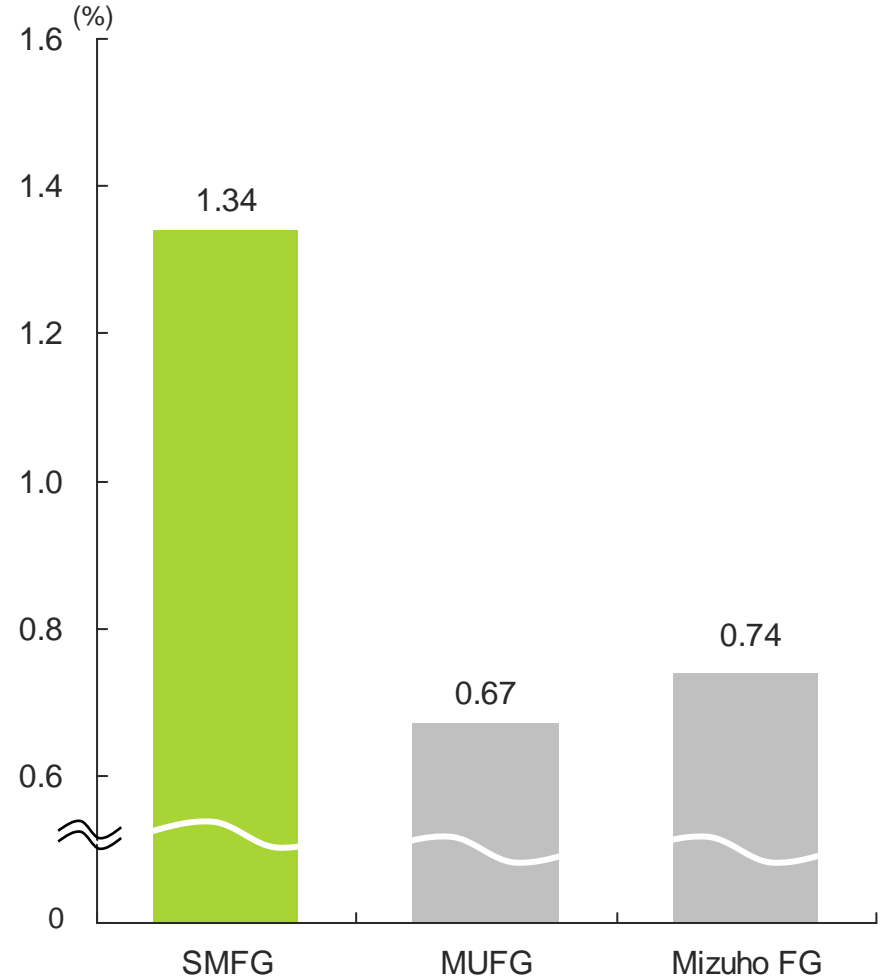
## 2. Our strengths

### Profitability and Efficiency

Banking profit (before provisions) per employee for 1H, FY3/2013\*1, 2



Consolidated net income RORA for 1H, FY3/2013\*2

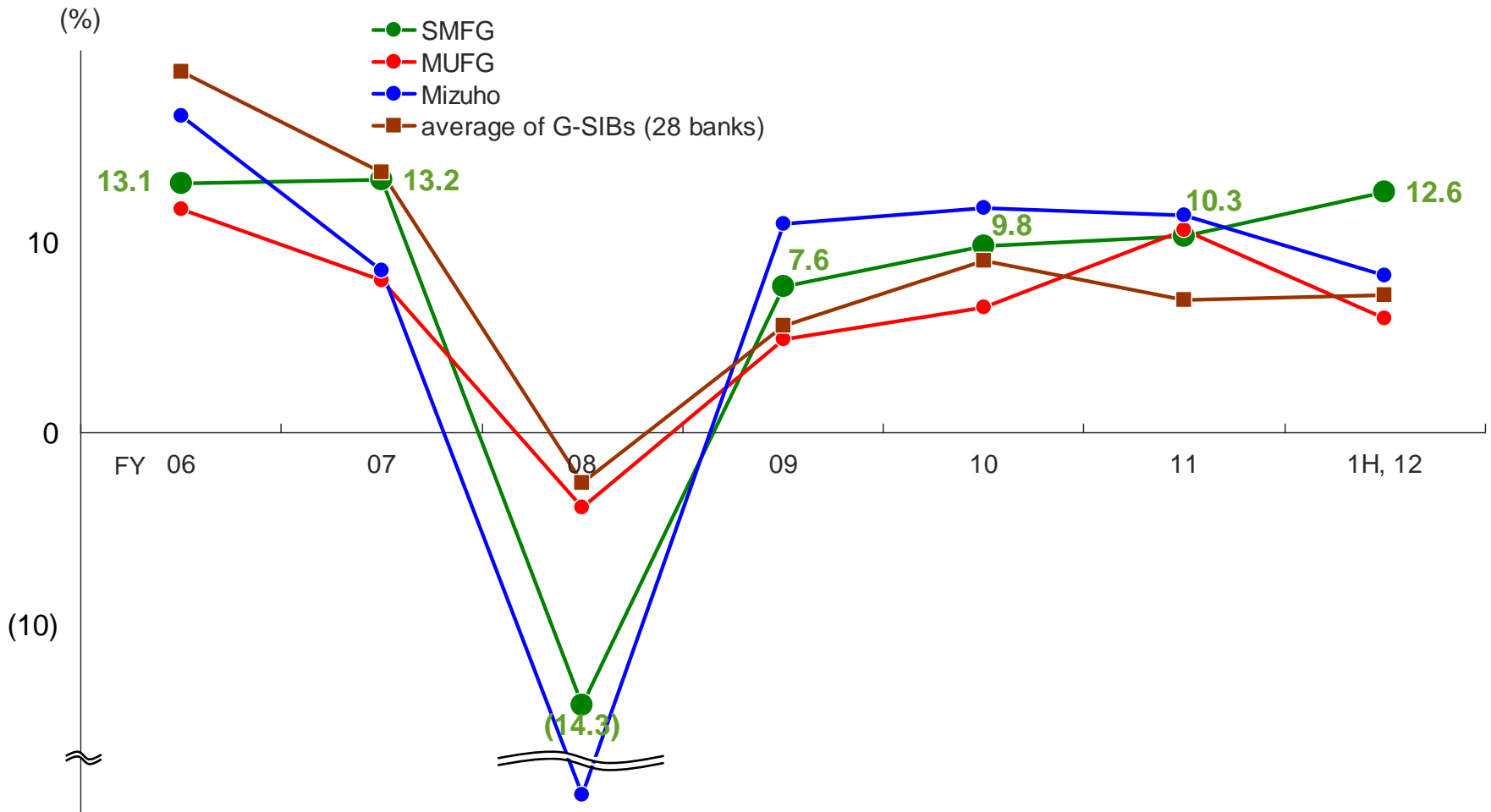


\*1 Based on each company's disclosure. The figures shown in the graph are: non-consolidated figures of SMBC and BTMU, and sum of Mizuho Bank and Mizuho Corporate Bank for Mizuho. Before provision for general reserve for possible loan losses, excluding gains (losses) on bonds, divided by average number of employees (average number of beginning and end of the period for BTMU and Mizuho)

\*2 Annualized

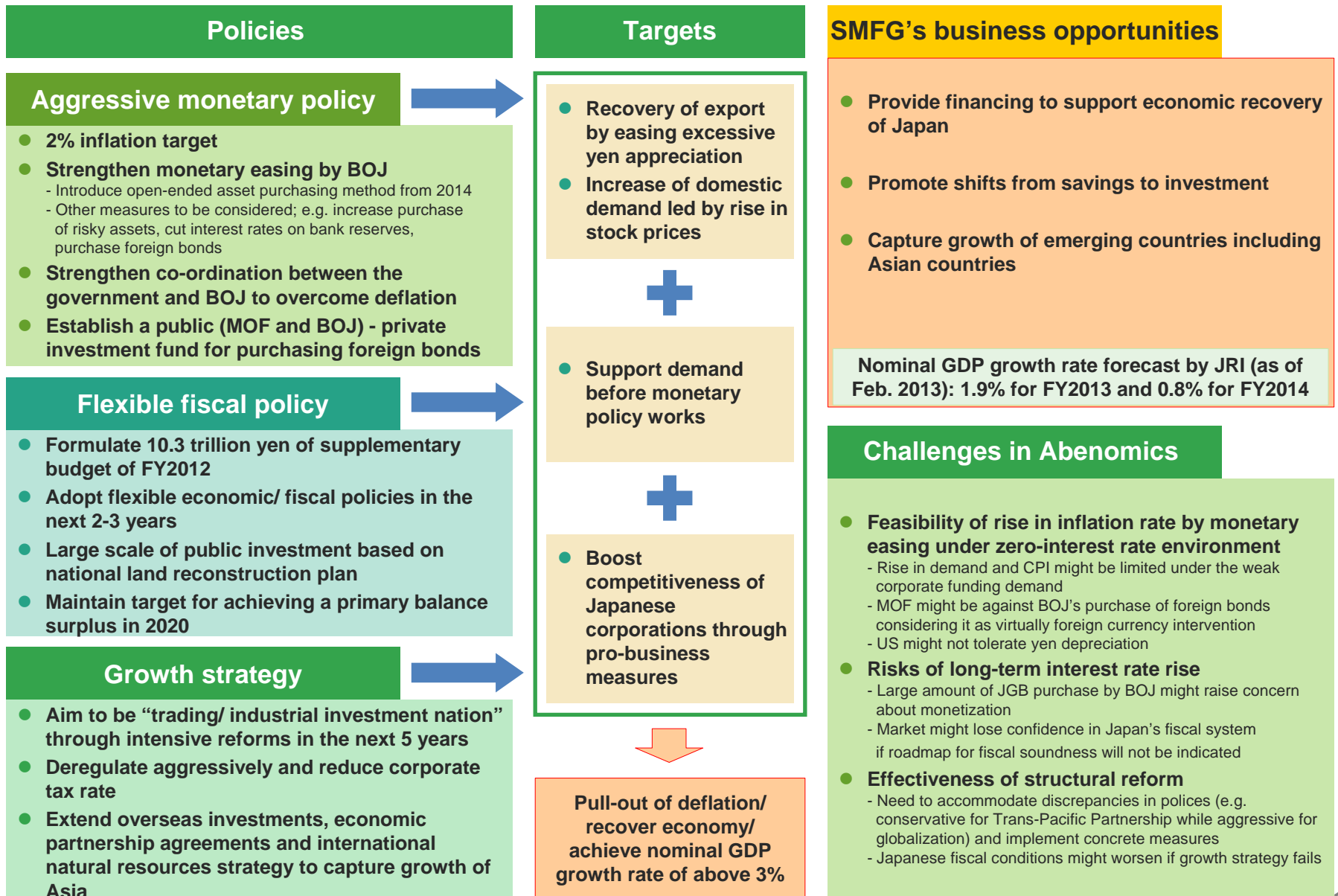
## 2. Our strengths

### ROE of G-SIBs



### 3. Growth strategy

## Opportunities of “Abenomics”



### 3. Growth strategy

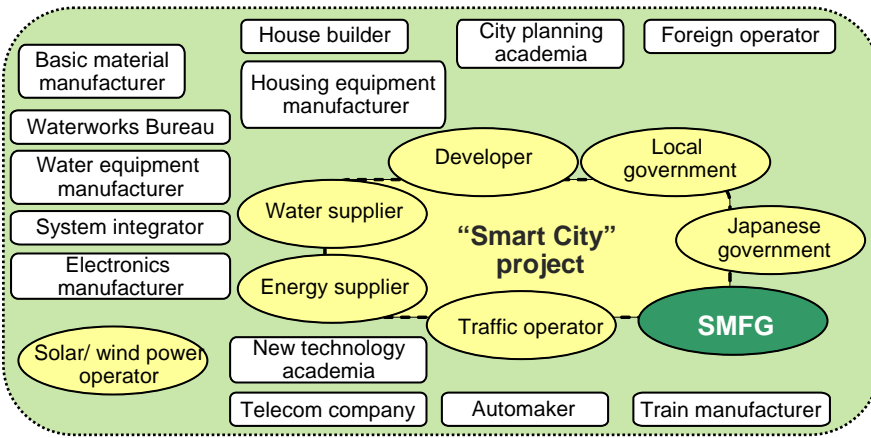
## Support for growing markets

#### Growth Industry Cluster Dept.

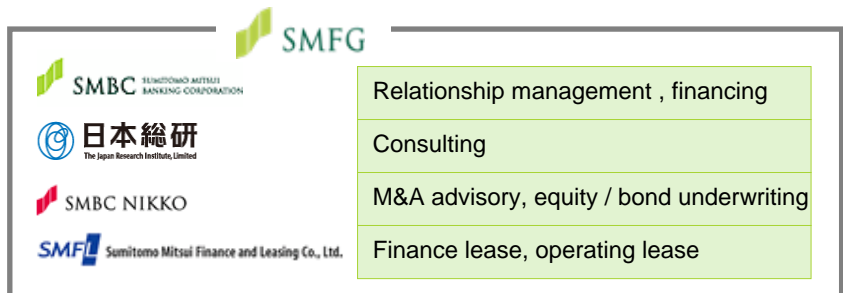
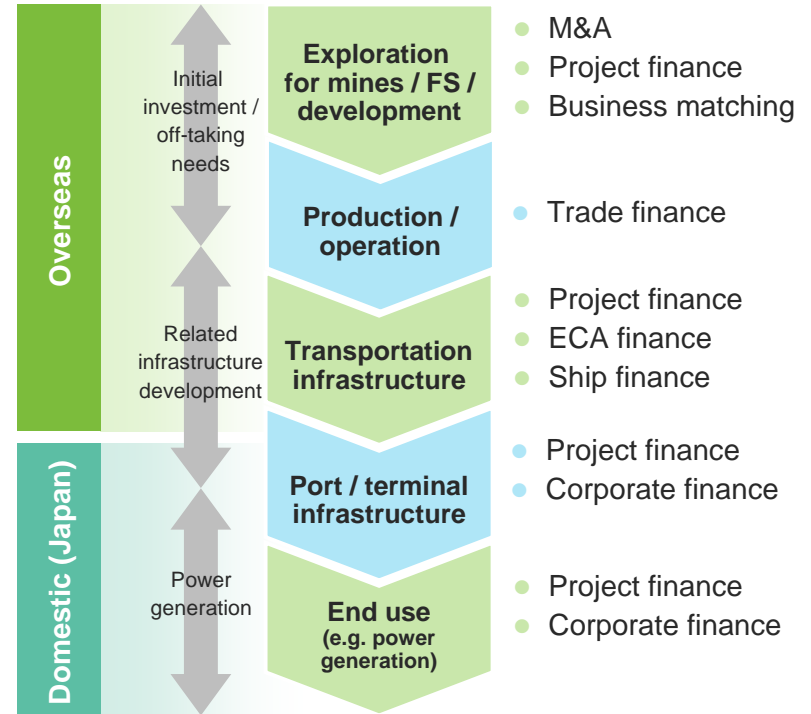
New energy sources	Renewable energy
Water	Water supply and sewerage, recycled water, desalination, etc.
Environment	Eco-city development, transportation system, rechargeable battery, etc.
Natural resources	Value chain of coal, natural gas, etc.
Carbon credit	Global warming related business
Frontier	Newly growing businesses / markets

#### Example “Smart City” cluster

Coordinate project by leveraging our business-academia network and various capabilities. Aim for “One-to-Multi” approach from “One-to-One” (bilateral relationship) approach.



#### Example Approaches for energy related business

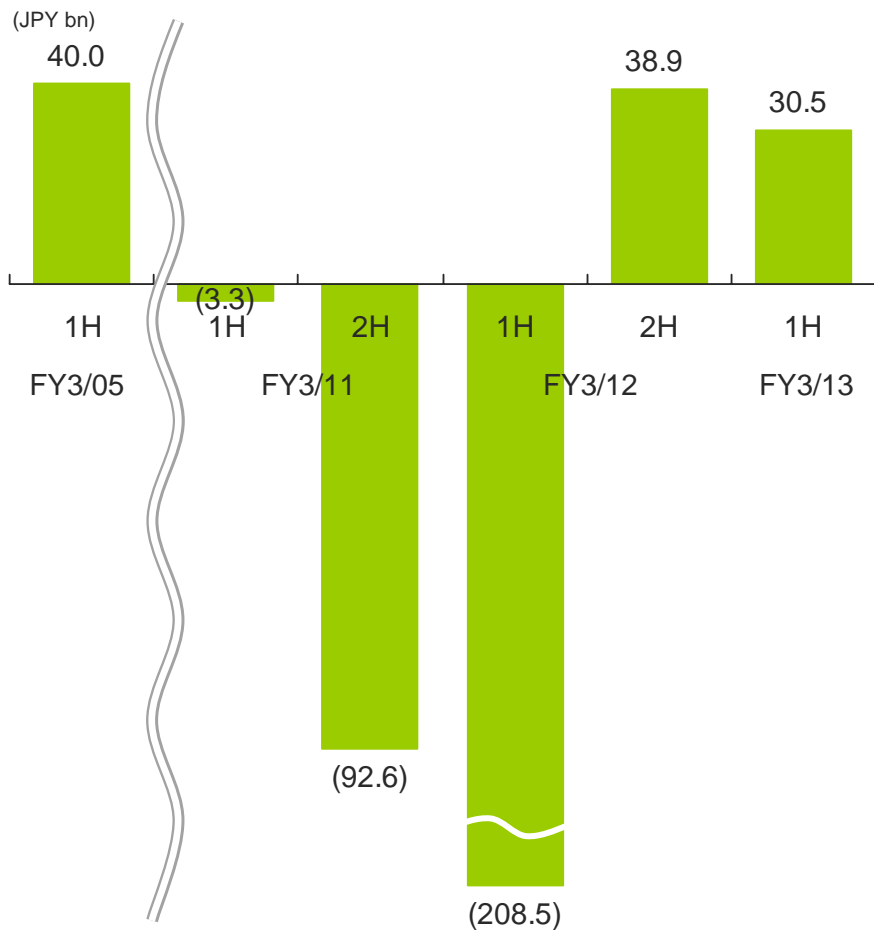


### 3. Growth strategy

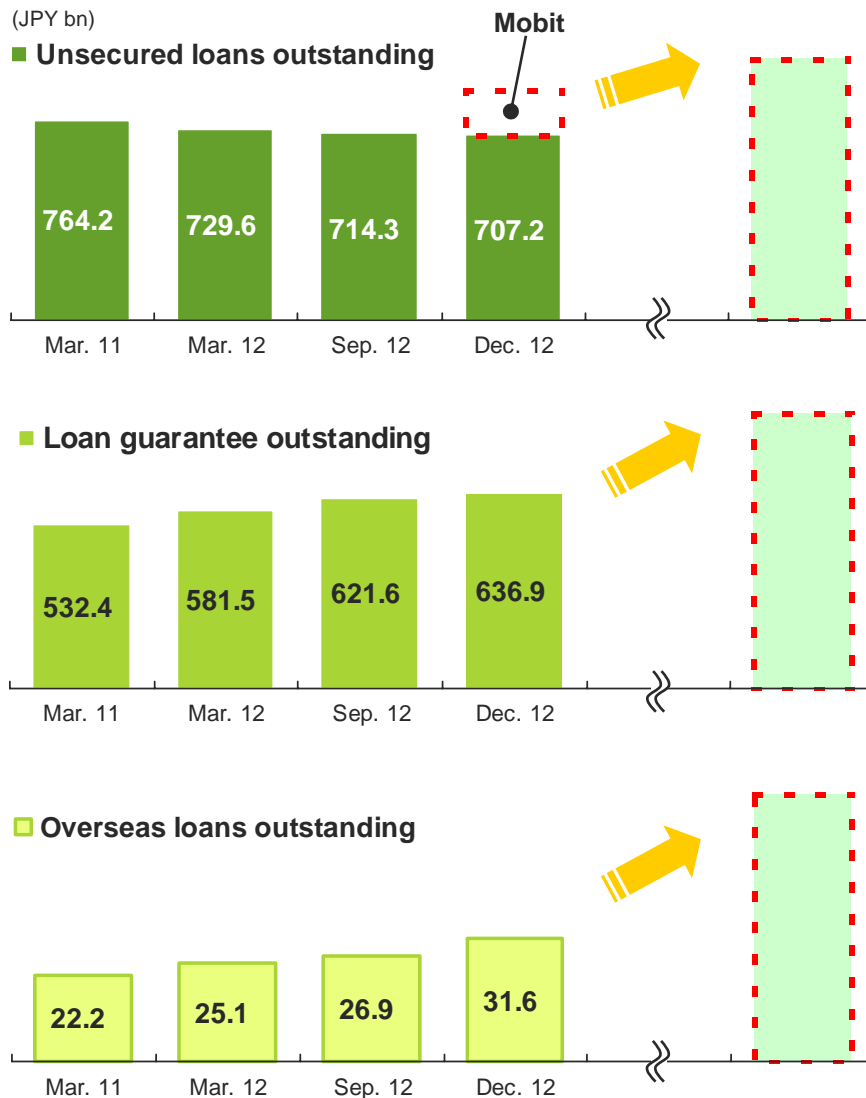
## SMBC Consumer Finance

#### SMBC Consumer Finance's net income

	Mar.11	Sep.11	Mar.12	Sep.12
Percentage of voting rights	22%	22%	98%	100%



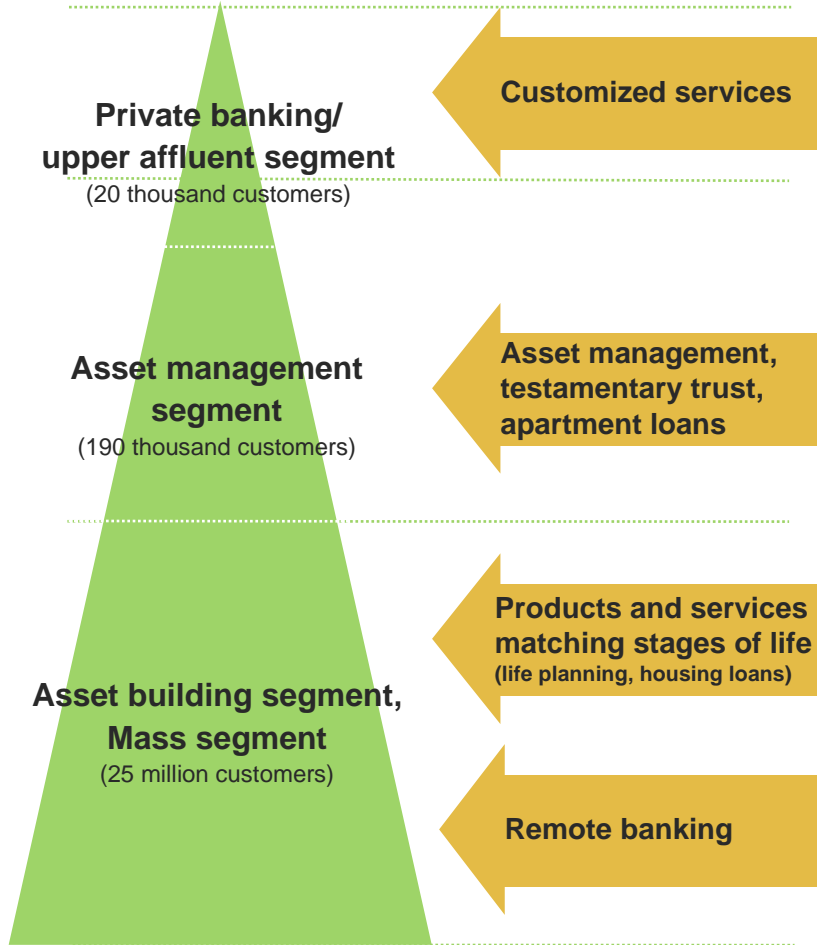
#### Three core businesses



### 3. Growth strategy

## Financial consulting for retail customers

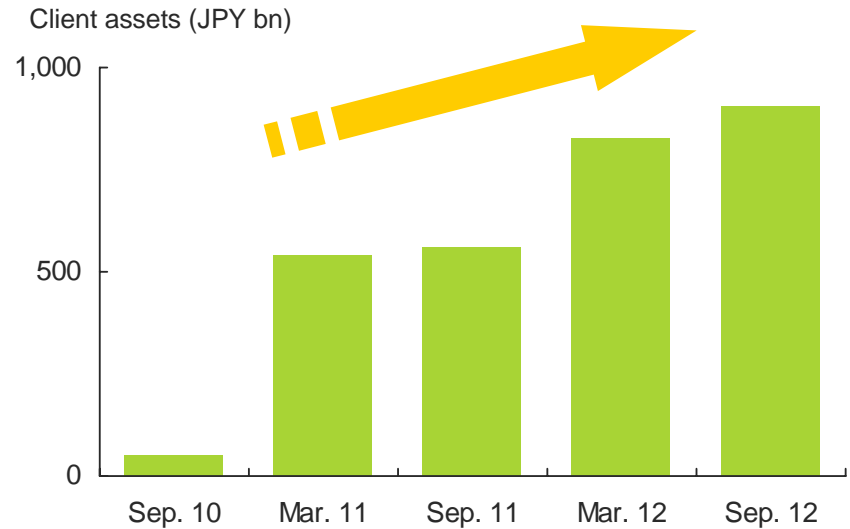
#### Business model by customer segment



approx. 25 million customers

#### Examples of our financial consulting services

##### Securities intermediary business for retail customers



##### SMBC's award



**Customer Satisfaction No.1\***

\* Highest in Investor Satisfaction for Full Service Bank

Disclaimer: J.D. Power Asia Pacific 2012 Japan Investor Satisfaction Study<sup>SM</sup>.

Study based on a total of 5,839 investors who had used investment service at full service bank.

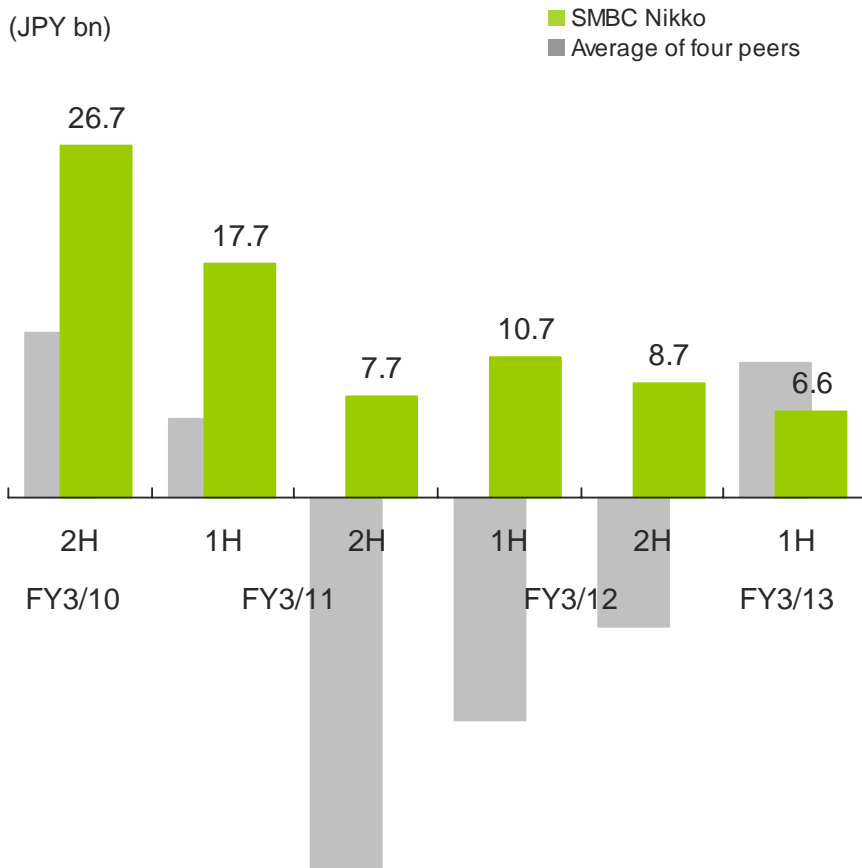
<http://japan.jdpower.com>



### 3. Growth strategy

## SMBC Nikko

#### SMBC Nikko's net income\*



#### Financial performance

(JPY bn)

	Apr.-Jun. 2012	Jul.-Sep. 2012	Oct.-Dec. 2012
Net operating revenue	55.2	53.2	66.5
Ordinary profit	9.8	7.4	17.4
Net income	3.9	2.7	12.2

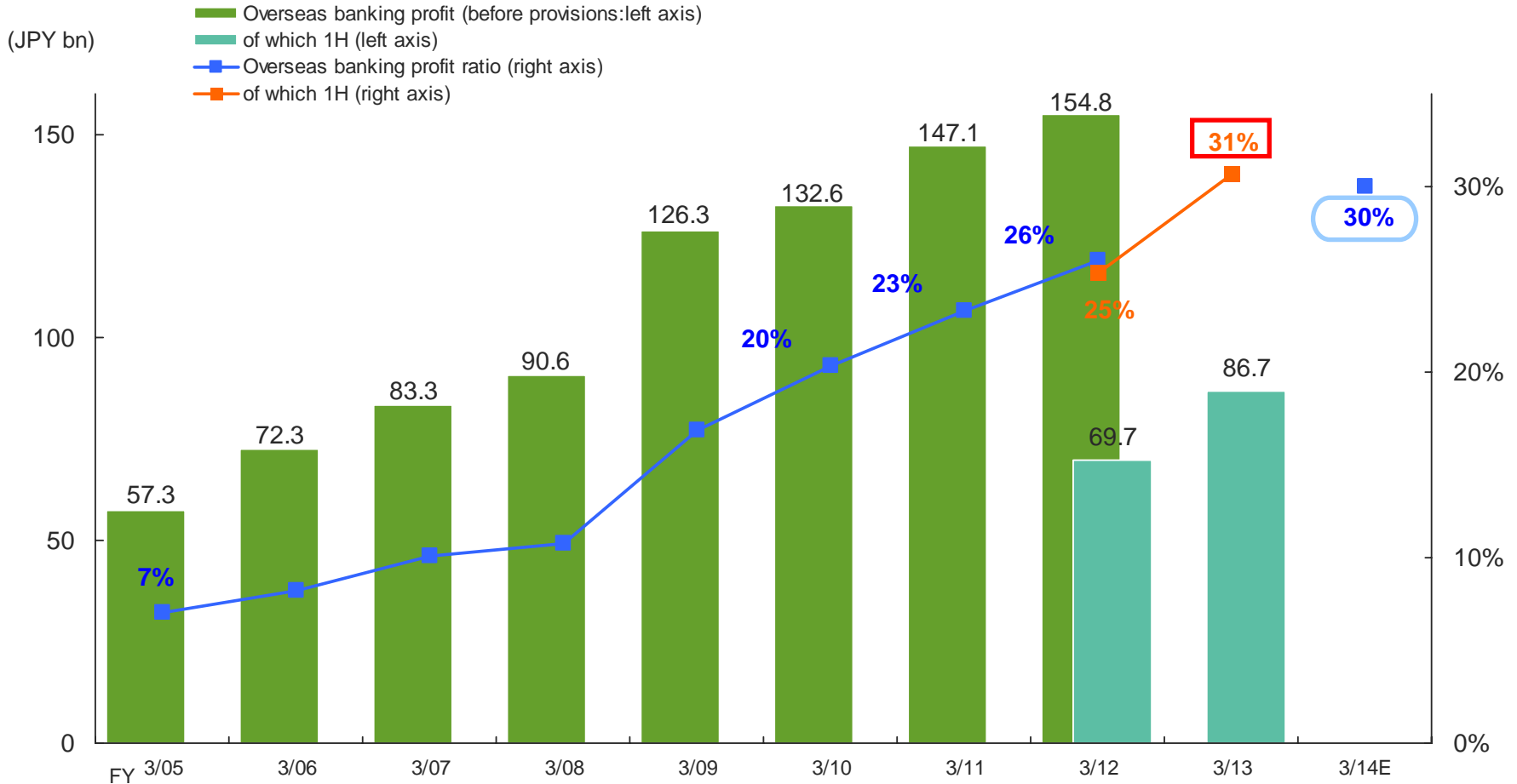
**Achieved the highest net operating revenue and ordinary profit on a quarterly basis since joining SMFG group**

\* Based on each company's financial statements. The figures for average of four peers is average of consolidated figures of Nomura Holdings (US GAAP, Net income attributable to its shareholders), Daiwa Securities Group, Mizuho Securities and Mitsubishi UFJ Securities Holdings

### 3. Growth strategy

## Development of international business

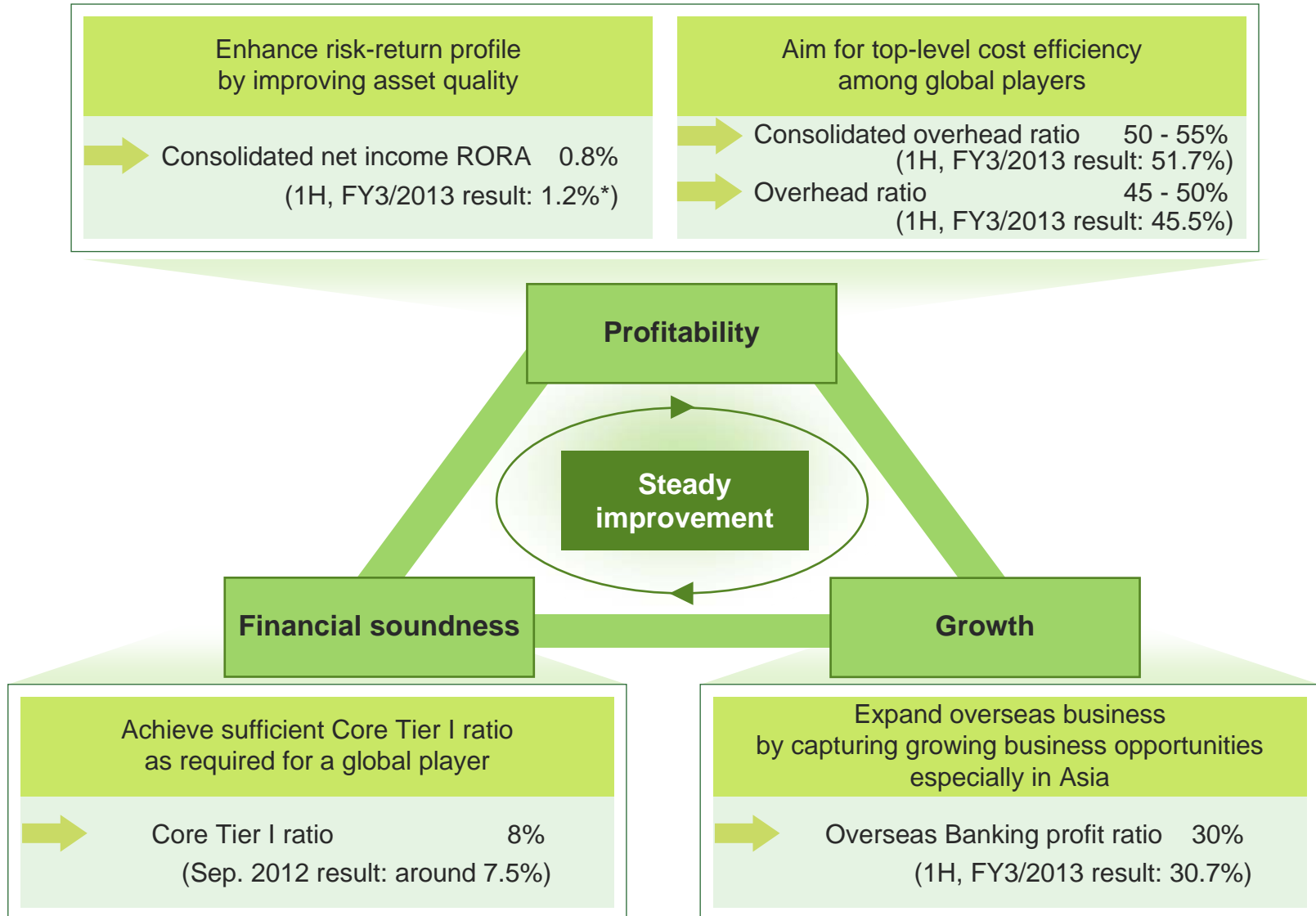
### Overseas banking profit and ratio\* (before provisioning)



\* Managerial accounting basis. Sum of SMBC and major overseas subsidiary banks. Based on the medium-term management plan assumed exchange rate of USD1=JPY85 since FY3/12

## 4. In closing

# Management approach for sustainable growth



\* Annualized

# Appendix



**SMFG** SUMITOMO MITSUI  
FINANCIAL GROUP

# Earnings forecast for FY3/2013

		(JPY bn)	FY3/12 results	Apr.-Dec. results	FY3/13 forecast <as of Nov. 2012>	Change from May forecast	YOY change
SMBC non-consolidated	Gross banking profit	1,532.5	1,165.5	1,490.0	+20.0	(42.5)	
	Expenses*1	(719.5)	(538.0)	(720.0)	-	(0.5)	
	<OHR>	46.9%	46.2%	48.3%	(0.7)%	+1.4%	
	Banking profit*2	813.0	627.5	770.0	+20.0	(43.0)	
	Total credit cost	(58.6)	30.2	(80.0)	+20.0	(21.4)	
	Gains (losses) on stocks	(15.2)	(68.9)				
	Ordinary profit	695.3	513.0	490.0	(110.0)	(205.3)	
	Net income	478.0	405.4	400.0	+20.0	(78.0)	
SMFG consolidated	Ordinary profit	935.6	829.7	830.0	(80.0)	(105.6)	
	Variance with SMBC non-consolidated	240.3	316.7	340.0	+30.0	+99.7	
	Net income	518.5	550.4	540.0	+60.0	+21.5	
	Variance with SMBC non-consolidated	40.5	145.0	140.0	+40.0	+99.5	

## Assumption of earnings forecast\*3

		May 2012 forecast	Nov. 2012 forecast
3M TIBOR		0.33%	0.33%
FF target rate		0.00~0.25%	0.00~0.25%
Exchange rate	(JPY/USD)	80	80
	(JPY/EUR)	100	100

## Per share information (common stock)

(JPY/share)	FY3/13 forecast <as of Nov. 2012>	Change from May forecast
Net income (consolidated)	398.85	+44.33
Annual dividend	100	-

\*1 Excluding non-recurring losses \*2 Before provision for general reserve for possible loan losses

\*3 Nikkei stock average: JPY10,083.56 as of March 30, 2012 and JPY8,870.16 as of Sep. 28, 2012.

Nominal GDP growth rate: FY3/2012 result was (2.0)%; FY3/2013 forecast which was estimated by Japan Research Institute was +0.8% as of May 15, 2012 and (0.1)% as of Nov. 14, 2012

# Key figures of 3Q, FY3/2013 performance (Cumulative)

## Per share information (SMFG consolidated)

	Apr.–Dec. 2012 results	YOY change	FY3/2013 (Nov. forecast)		Dec. 31, 2012	Change from Mar 31, 2012
<b>Net income per share</b>	JPY 406.52	+JPY 111.51	JPY 398.85	<b>Net assets per share</b>	JPY 4,152.70	+JPY 296.33

## Contribution of subsidiaries to SMFG's Net income

		(JPY bn)	Apr.-Dec. 2012 results	YOY change	FY3/2013 (Nov. forecast)		(JPY bn)	Apr.-Dec. 2012 results	YOY change
<b>SMFG</b> <consolidated>	<b>Ordinary profit</b>		829.7	+68.5	830	<b>SMBC Consumer Finance*</b>		49	+89
	Variance with SMBC non-consolidated		316.7	+78.9	340		<b>SMBC Nikko Securities</b>	19	+10
	<b>Net income</b>		550.4	+139.4	540		<b>SMBC Guarantee</b>	18	+0
	Variance with SMBC non-consolidated		145.0	+77.9	140		<b>Sumitomo Mitsui Finance and Leasing</b>	18	+2
					<b>Sumitomo Mitsui Card</b>		14	+2	
					<b>Cedyna</b>		14	+6	

\* Became subsidiary of SMFG in Dec. 2011. Figures for 3Q, FY3/2012 were included as a 22% owned affiliated company and figures for 3Q, FY3/2013 were included as a wholly-owned subsidiary

## Credit ratings (SMBC)

Moody's	S&P	Fitch	R&I	JCR
Aa3 / P-1	A+ / A-1	A- / F1	AA- / a-1+	AA / J-1+

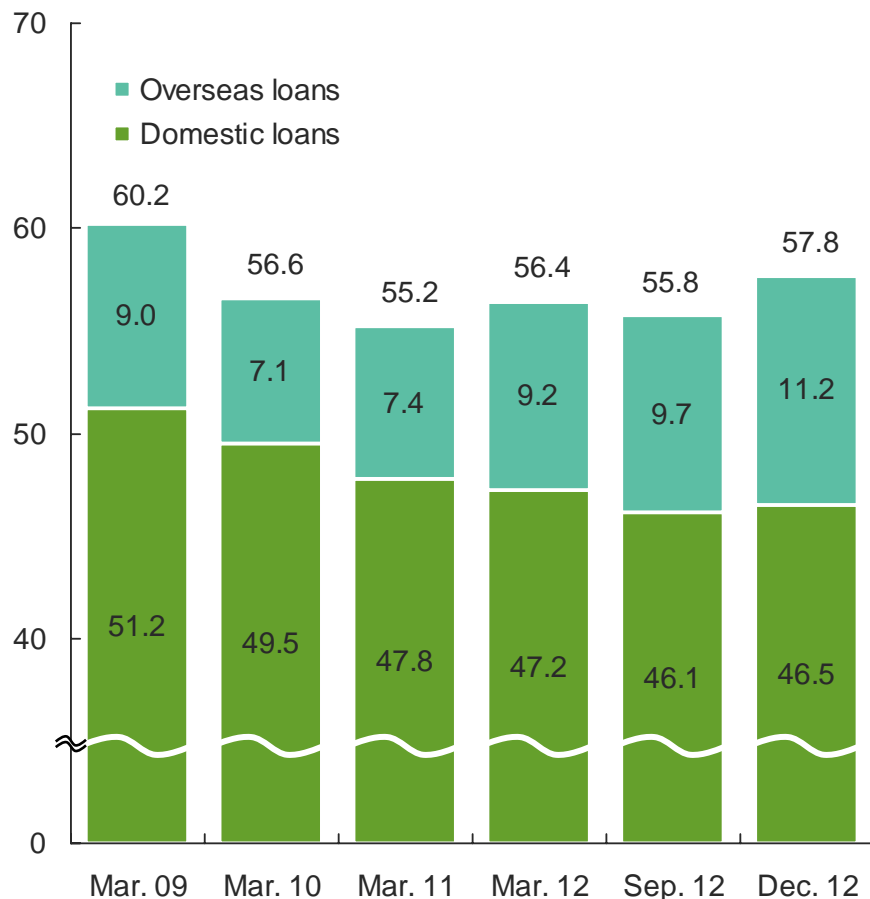
Upgrade one notch  
 •JCR: Sep. 2012  
 •R&I : Dec. 2012

# Loan balance

## SMBC non-consolidated

### Loan balance

(JPY tn, period-end balance)



### Loan balance by domestic marketing units, managerial accounting basis

(JPY tn, at period-end)

	Dec. 2012	Change from Mar. 2012
Consumer Banking Unit	15.0	(0.1) <sup>*1</sup>
Middle Market Banking Unit <sup>*2</sup>	16.7	+ 0.1
Corporate Banking Unit	11.7	+ 0.0

### Overseas loans, classified by region, <sup>\*3</sup> managerial accounting basis

(JPY tn, at period-end)

	Dec. 2012	Change from Mar. 2012	After adjustment of exchange rate fluctuations
Overseas total	12.7	+ 2.2	+ 1.5
<i>to Japanese corporations</i>	3.6	+ 0.8	+ 0.7
Asia	4.9	+ 0.8	+ 0.6
<i>to Japanese corporations</i>	1.4	+ 0.3	+ 0.2
Americas	4.0	+ 0.9	+ 0.7
<i>to Japanese corporations</i>	1.7	+ 0.4	+ 0.4
EMEA	3.7	+ 0.4	+ 0.3
<i>to Japanese corporations</i>	0.6	+ 0.1	+ 0.1

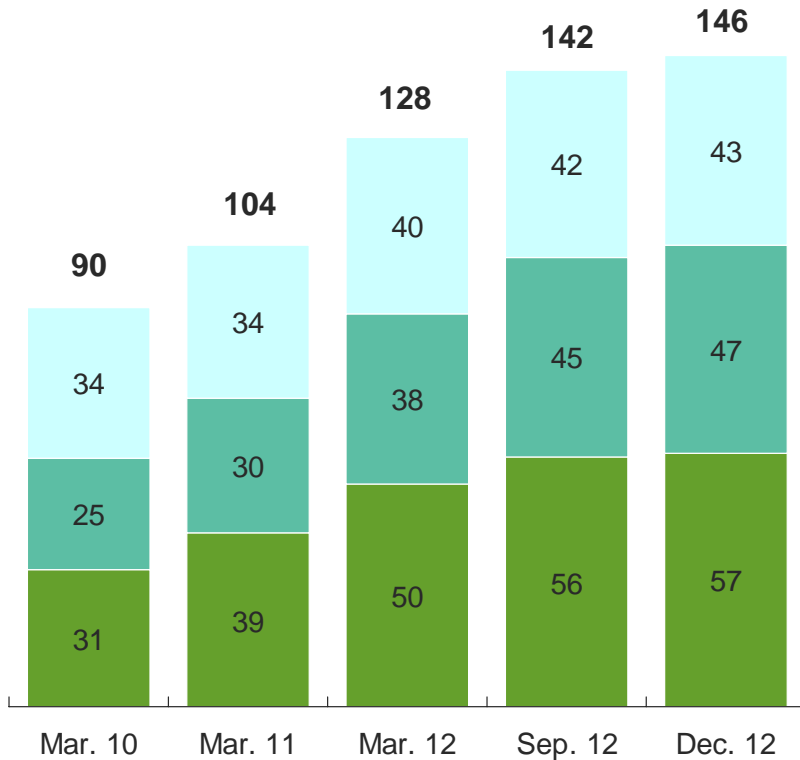
<sup>\*1</sup> After add-back adjustment of portion of housing loans securitized in Apr.-Dec. 2012 of approx. JPY 120 bn <sup>\*2</sup> Excluding loans to the Special Account for Allotment of Local Allocation Tax and Local Transfer Tax, etc. <sup>\*3</sup> Sum of SMBC, SMBC Europe and SMBC (China). Based on location of the channels

# Overseas loan and deposit balance

## Overseas loan balance\*1

(USD bn)

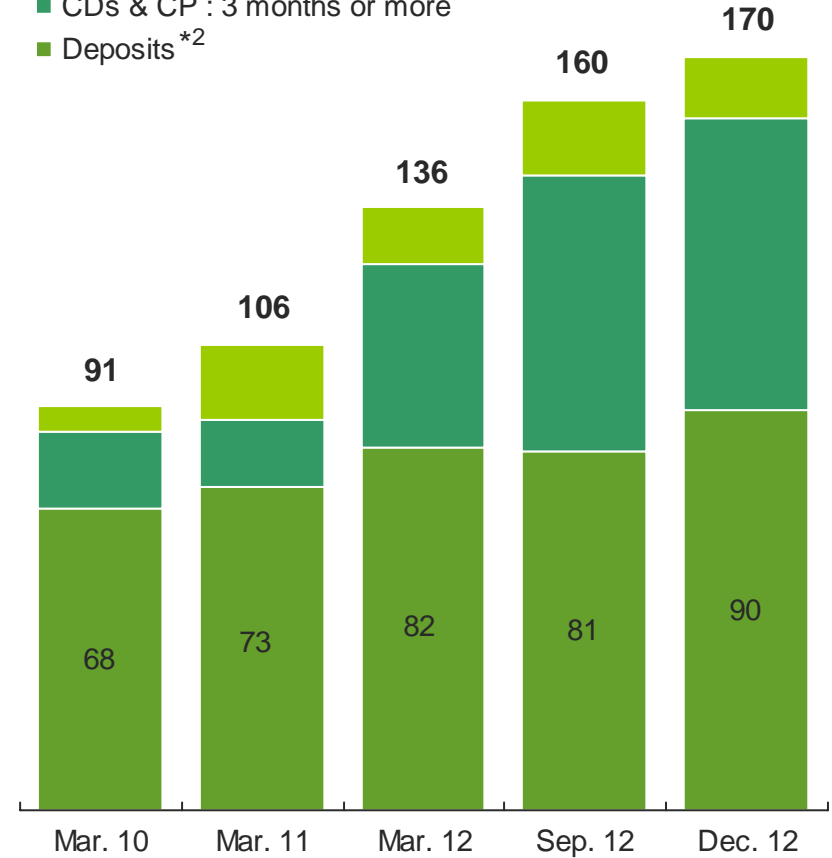
- EMEA
- Americas
- Asia



## Overseas deposit balance\*1

(USD bn)

- CDs & CP : less than 3 months
- CDs & CP : 3 months or more
- Deposits \*2



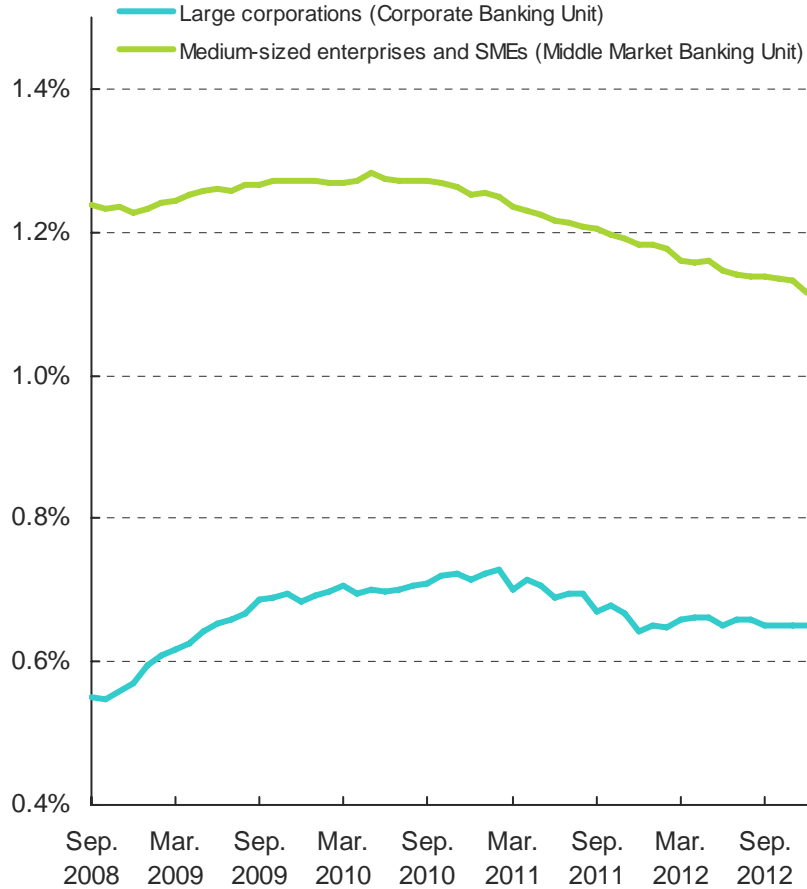
\*1 Managerial accounting basis, exchanged at respective period-end exchange rates. Sum of SMBC, SMBC Europe and SMBC (China)

\*2 Includes deposits from central banks

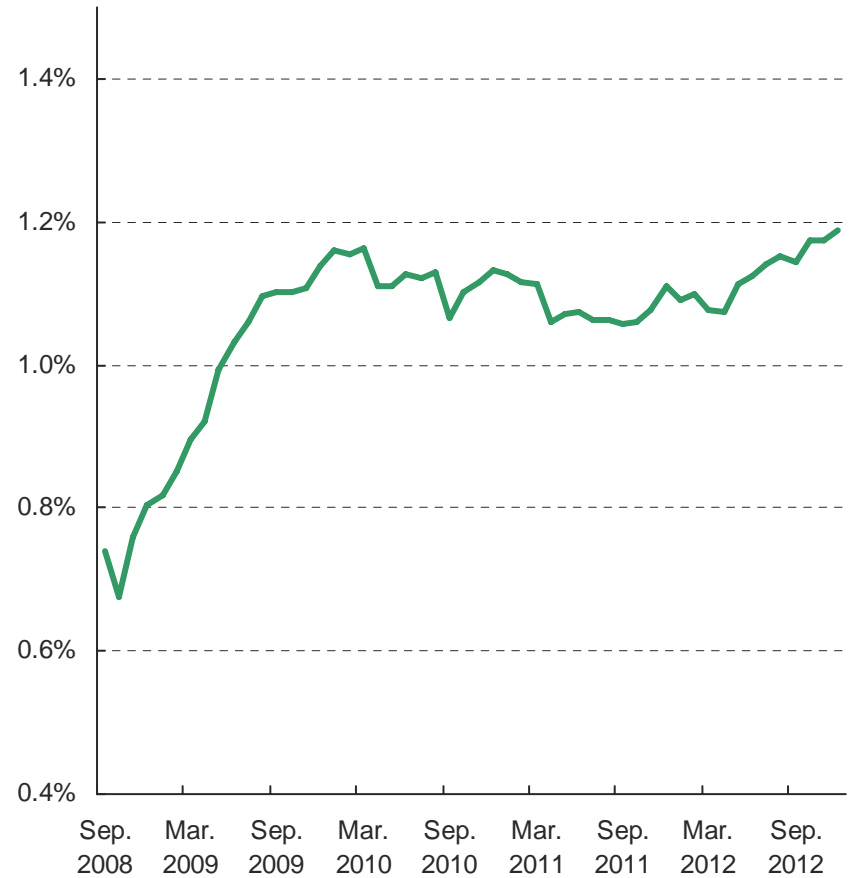


# Loan spread\*1

## Domestic\*2



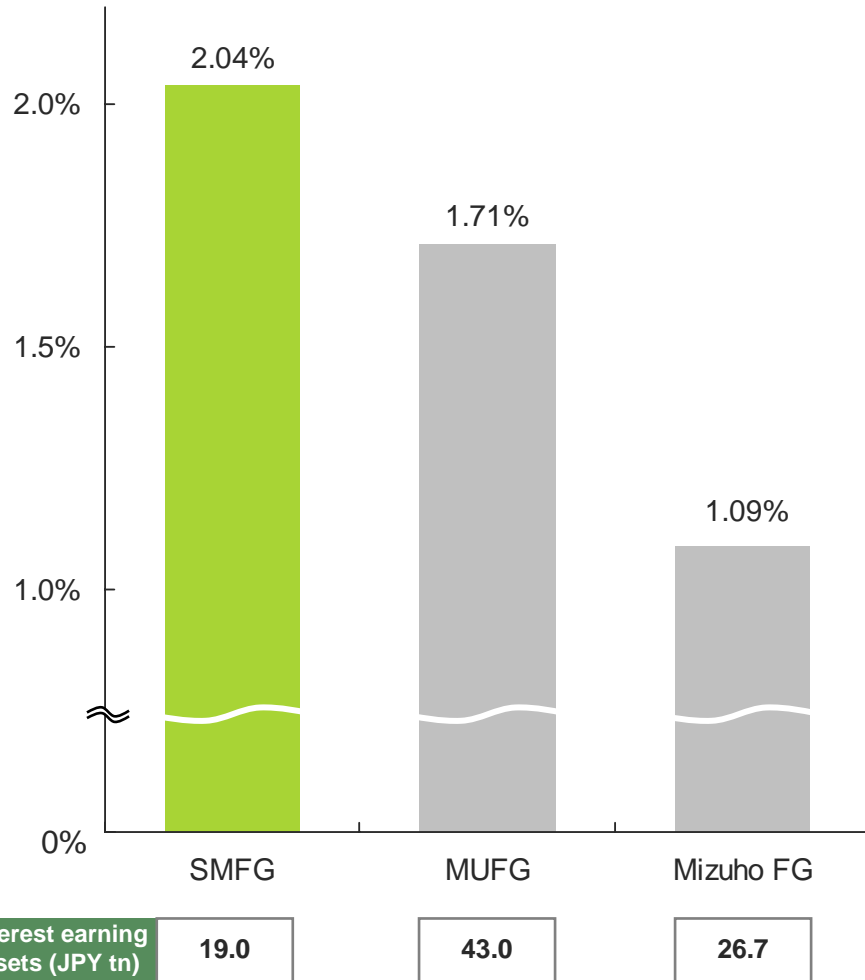
## Overseas\*3



\*1 Managerial accounting basis. Average loan spread of existing loans \*2 SMBC non-consolidated \*3 Sum of SMBC, SMBC Europe and SMBC (China)

# Overseas profitability

Overseas NII + Net fee income (excl. securities related) to interest earning assets (FY3/2012)\*



Overseas NII and components of Net fee income

(JPY bn)	SMFG	MUFG	Mizuho FG
Net interest income	296.4	571.7	244.0
Net fee income	118.0	180.5	68.4
Deposit and loan/ commercial banking related	70.8	140.8	49.4
Securities related	25.6	16.1	21.4
Guarantees	11.9	11.8	7.0
Exchange related	3.6	8.8	4.6

\* On a group consolidated basis. Based on each company's disclosure.

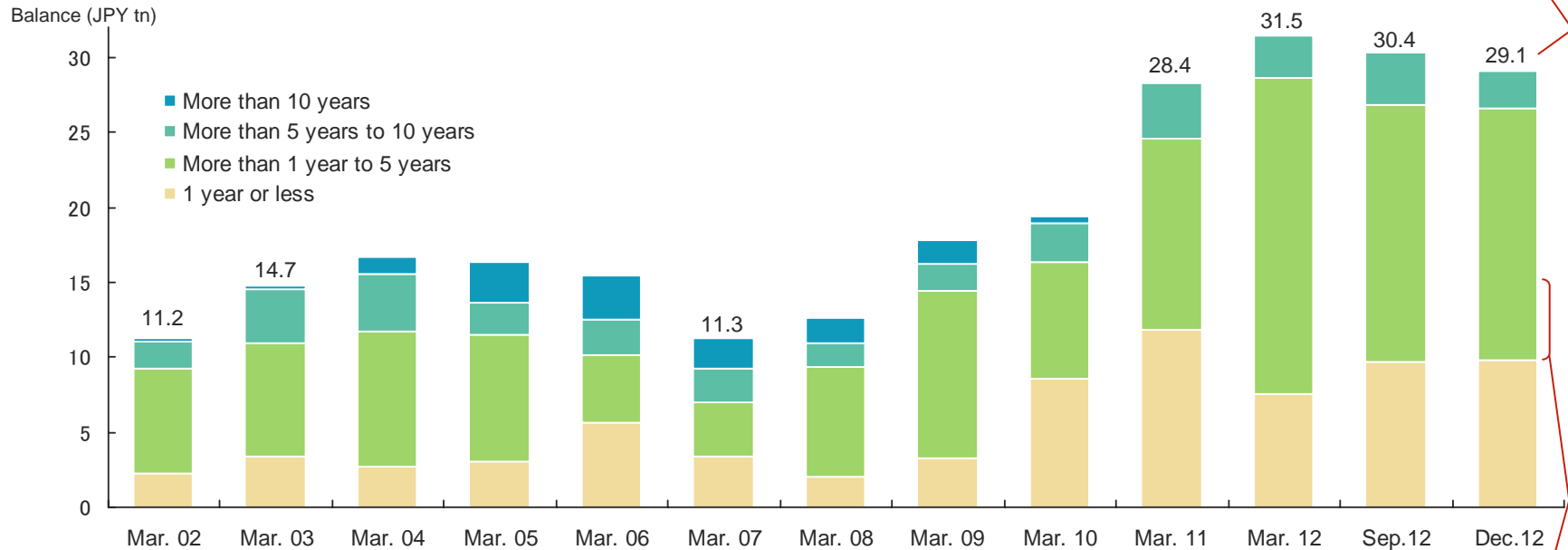
# Bond portfolio

## Yen bond portfolio

### SMBC non-consolidated

(Total balance of bonds with maturities classified as "Other securities" and bonds of held-to-maturity; total of JGBs, Japanese local government bonds and Japanese corporate bonds)

of which 15-year floating-rate JGBs: approx. JPY 1.8 tn



of which 2 years or less: JPY 5.4 tn  
(change from Mar. 12: JPY (3.2) tn; Sep. 12: +JPY 0.6 tn)

Average duration (years)* <sup>1</sup>	2.7	3.6	3.4	2.3	1.5	1.7	2.4	1.8	1.1	1.4	1.9	2.1	1.7
Unrealized gains (losses) (JPY bn)* <sup>2</sup>	37.6	108.7	(101.9)	7.7	(282.2)	(151.4)	(129.5)	(1.2)	116.1	71.9	104.4	104.3	97.6

\*1 Excluding bonds of 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. 02 is for JGB portfolio

\*2 15-year floating-rate JGBs have been evaluated at their reasonably estimated price from Mar. 09

# Gains (losses) on bonds

## SMBC non-consolidated

### Gains (losses) on bonds

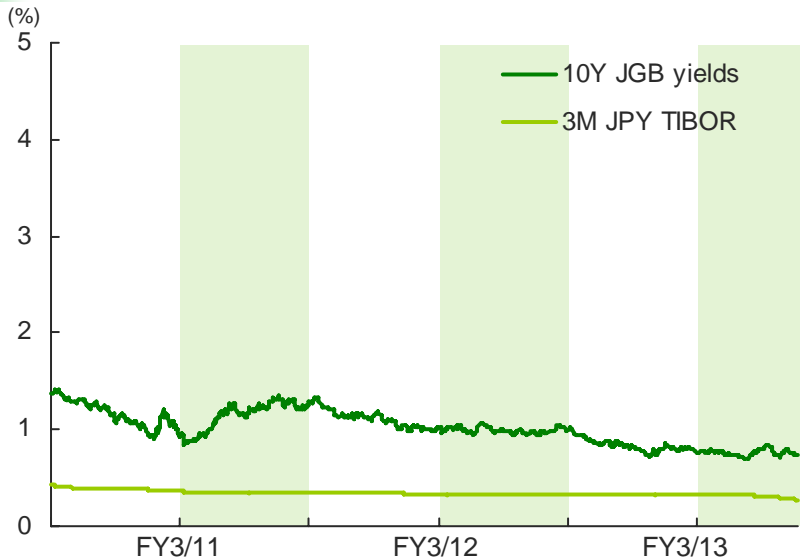
(JPY bn)	FY3/12	1H, FY3/13	YOY change
<b>Gains (losses) on bonds</b>	152.5	117.3	(7.1)
Domestic operations	23.2	30.9	+15.7
International operations	129.3	86.4	(22.8)

### Gross banking profit of Treasury Unit

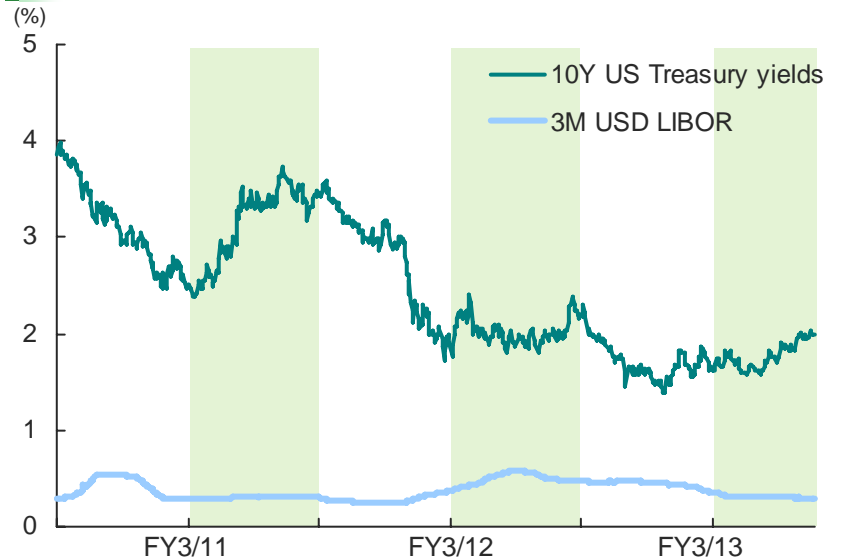
(JPY bn)	FY3/12	1H, FY3/13	YOY change
<b>Gross banking profit of Treasury Unit</b>	319.3	201.7	(25.6)

## Market condition : interest rate of JPY and USD

### JPY



### USD



# 1H, FY3/2013 financial performance by business unit\*1

		(JPY bn)	1H, FY3/12	1H, FY3/13	YOY change*2
Consumer Banking Unit	Gross banking profit		192.3	174.8	(10.6)
	Expenses		143.0	140.9	(2.4)
	<b>Banking profit</b>		<b>49.3</b>	<b>33.9</b>	<b>(8.2)</b>
Middle Market Banking Unit	Gross banking profit		208.8	201.8	(4.0)
	Expenses		110.8	106.7	(2.4)
	<b>Banking profit</b>		<b>98.0</b>	<b>95.1</b>	<b>(1.6)</b>
Corporate Banking Unit	Gross banking profit		102.6	96.1	(1.8)
	Expenses		18.9	19.5	+ 0.2
	<b>Banking profit</b>		<b>83.7</b>	<b>76.6</b>	<b>(2.0)</b>
International Banking Unit (IBU)	Gross banking profit		93.5	107.3	+ 12.0
	Expenses		31.0	36.3	+ 4.5
	<b>Banking profit</b>		<b>62.5</b>	<b>71.0</b>	<b>+ 7.5</b>
Marketing units	Gross banking profit		597.2	580.0	(4.4)
	Expenses		303.7	303.4	(0.1)
	<b>Banking profit</b>		<b>293.5</b>	<b>276.6</b>	<b>(4.3)</b>
Treasury Unit	Gross banking profit		227.3	201.7	(25.6)
	Expenses		9.5	10.2	+ 0.8
	<b>Banking profit</b>		<b>217.8</b>	<b>191.5</b>	<b>(26.4)</b>
Headquarters	Gross banking profit		(5.0)	5.0	(2.8)
	Expenses		41.4	44.4	+ 2.7
	<b>Banking profit</b>		<b>(46.4)</b>	<b>(39.4)</b>	<b>(5.5)</b>
<b>Total (Business Units)</b>	Gross banking profit		819.5	786.7	(32.8)
	Expenses		354.6	358.0	+ 3.4
	<b>Banking profit</b>		<b>464.9</b>	<b>428.7</b>	<b>(36.2)</b>

## Gross banking profit by product

	(JPY bn)	YOY change*2
of which:		
Income on domestic loans	230.6	(12.8)
Income on domestic yen deposits	74.3	+1.3
IBU's interest related income*3	64.1	+9.1
<b>Interest income</b>	<b>398.4</b>	<b>(1.9)</b>
of which:		
Investment trust	17.8	(9.7)
Single premium type permanent life insurance	6.8	+2.0
Level premium insurance	5.5	+2.5
Income relating to Financial consulting for retail customers	33.6	(6.8)
of which:		
Loan syndication	20.6	+0.4
Structured finance*4	25.0	+0.6
Real estate finance*4	14.2	(1.5)
Income related to IB business*4	70.9	(0.5)
of which:		
Sales of derivatives	9.0	+1.3
Money remittance, Electronic banking	45.7	(0.8)
Foreign exchange	21.6	(0.1)
IBU's non-interest income*3	45.9	+3.0
<b>Non-interest income</b>	<b>181.6</b>	<b>(2.5)</b>
<b>Gross banking profit of Marketing units</b>	<b>580.0</b>	<b>(4.4)</b>

Adjustment of interest rates and exchange rates etc.: (12.8)

Nominal  
YOY  
change:  
(17.2)

## Average loan balance and spread by business unit

	Balance		Spread		
	(JPY tn, %)	1H, FY3/13	YOY change*2	1H, FY3/13	YOY change*2
Domestic loans		45.8	(2.3)*5	1.04	(0.01)
of which:					
Consumer Banking Unit		15.2	(0.2)	1.44	(0.02)
Middle Market Banking Unit		16.3	(0.4)	1.08	(0.07)
Corporate Banking Unit		11.5	(0.2)	0.66	(0.02)
<b>IBU's interest earning assets*6</b>		<b>142.5</b>	<b>+23.1</b>	<b>1.16</b>	<b>+0.07</b>

(USD bn, %)

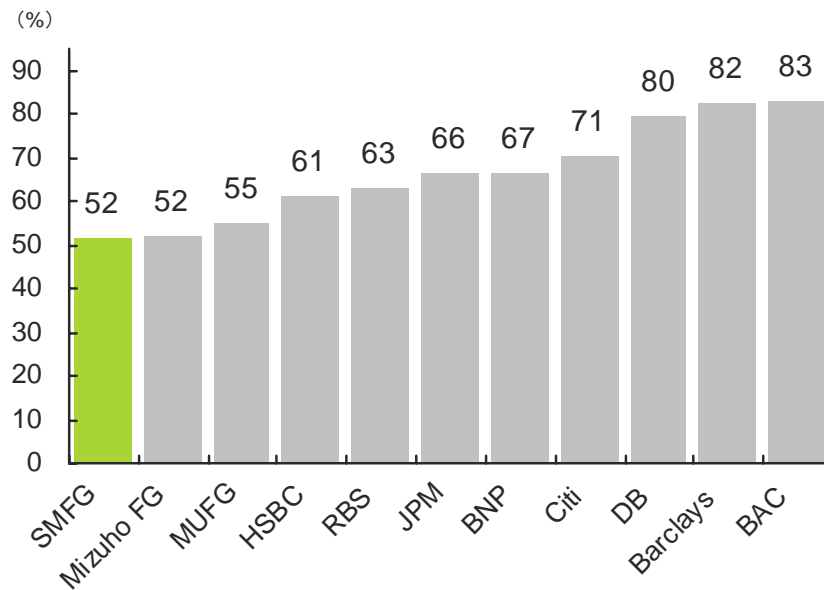
\*1 SMBC non-consolidated. Managerial accounting basis \*2 After adjustment of interest rates and exchange rates, etc.  
\*3 Including profit from Japanese corporations in Hong Kong Branch and Taipei Branch \*4 Including interest income  
\*5 of which JPY (1.8) tn was resulted from a decrease of loans to government  
\*6 Sum of loans, trade bills and securities

# Expenses

## Expenses\*1

		FY3/12		FY3/13	
		1H		1H	forecast
		(JPY bn)			
SMBC non-consolidated	Expenses	(354.6)	(719.5)	(358.0)	(720.0)
	OHR	43.3%	46.9%	45.5%	48.3%
SMFG consolidated	Expenses*2	(677.4)	(1,388.4)	(709.7)	
	OHR	51.2%	53.5%	51.7%	

## OHR on group consolidated basis\*3



Fiscal 2012 30th Information Technology Award  
by Japan Institute of Information Technology

IT Management Award



- Awarded for our initiatives towards strategic IT governance

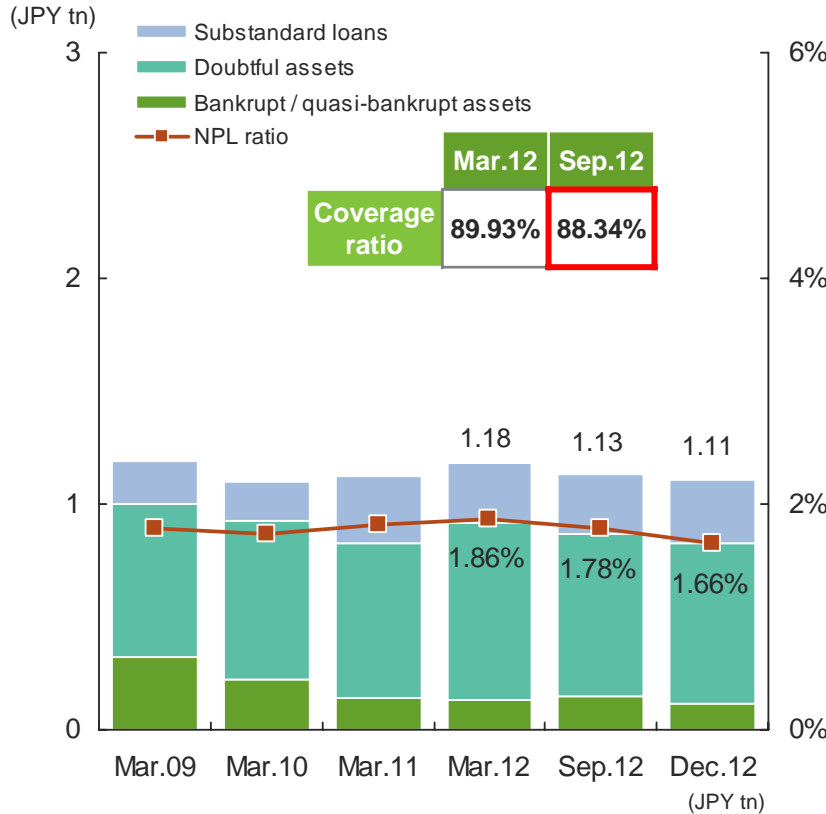
\*1 Excluding non-recurring losses \*2 Consolidated G&A expenses net of SMBC's non-recurring losses

\*3 Based on each company's disclosure. G&A expenses (for Japanese banks, excluding non-recurring losses) divided by top-line profit (net of insurance claims).

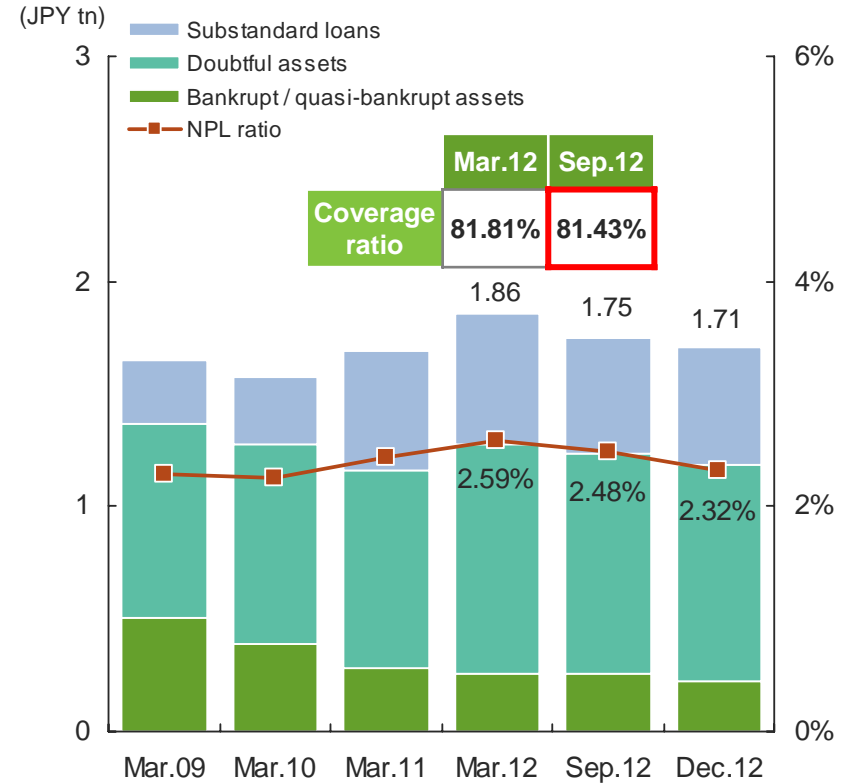
1H, FY3/2013 results for SMFG, MUFG and Mizuho FG, and 3Q, FY12/2012 results for others

# Non-performing loan balance and ratio

## SMBC non-consolidated



## SMFG consolidated



	Mar.09	Mar.10	Mar.11	Mar.12	Sep.12	Dec.12
Claims to borrowers requiring caution*1	3.7	3.7	3.1	2.8	2.1	2.1
Total Claims	67	63	62	64	64	66

(JPY tn)

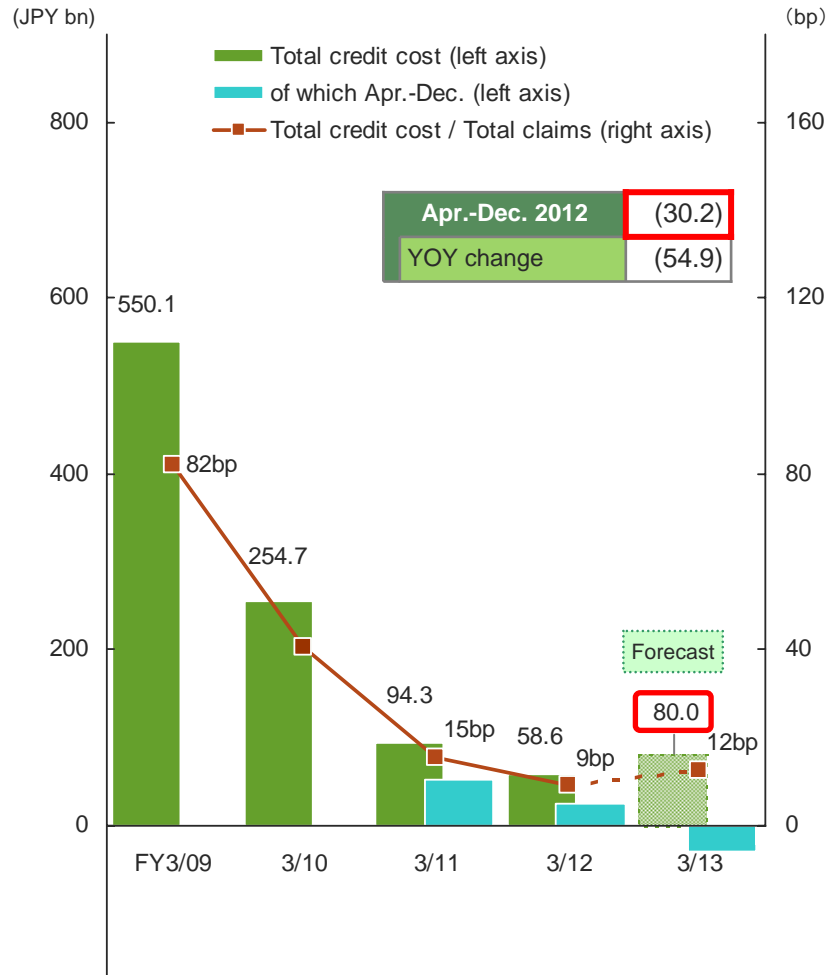
	(JPY bn)
Impact of SME Financing Facilitation Act	
Estimate of Increase in provisions*2	approx. 40
Estimate of decrease in NPL*2	approx. 25

\*1 Excluding claims on Substandard borrowers

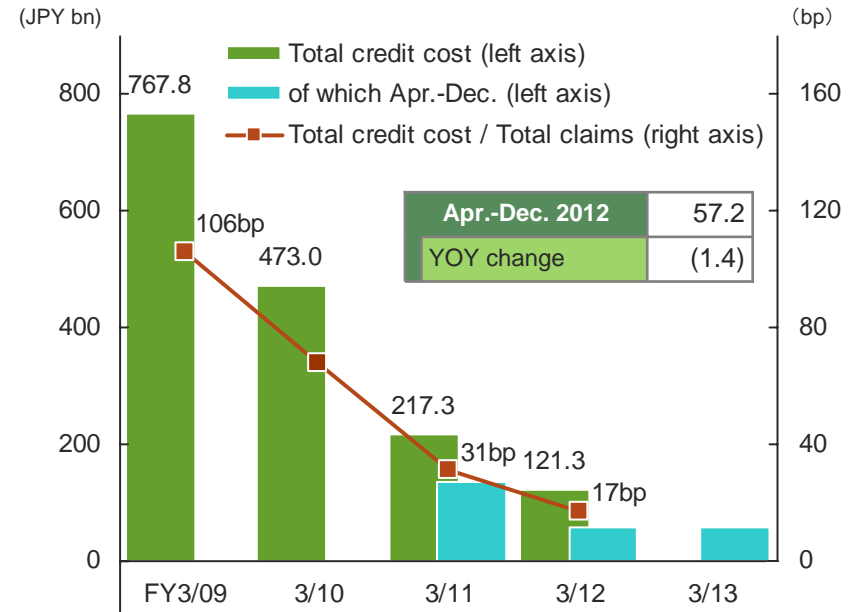
\*2 Estimated by one rank downgrade of the classification of certain borrowers whose loans have been restructured. The scope of estimate has been broadened since Sep. 2012

# Credit costs

## SMBC non-consolidated



## SMFG consolidated



## Major subsidiaries

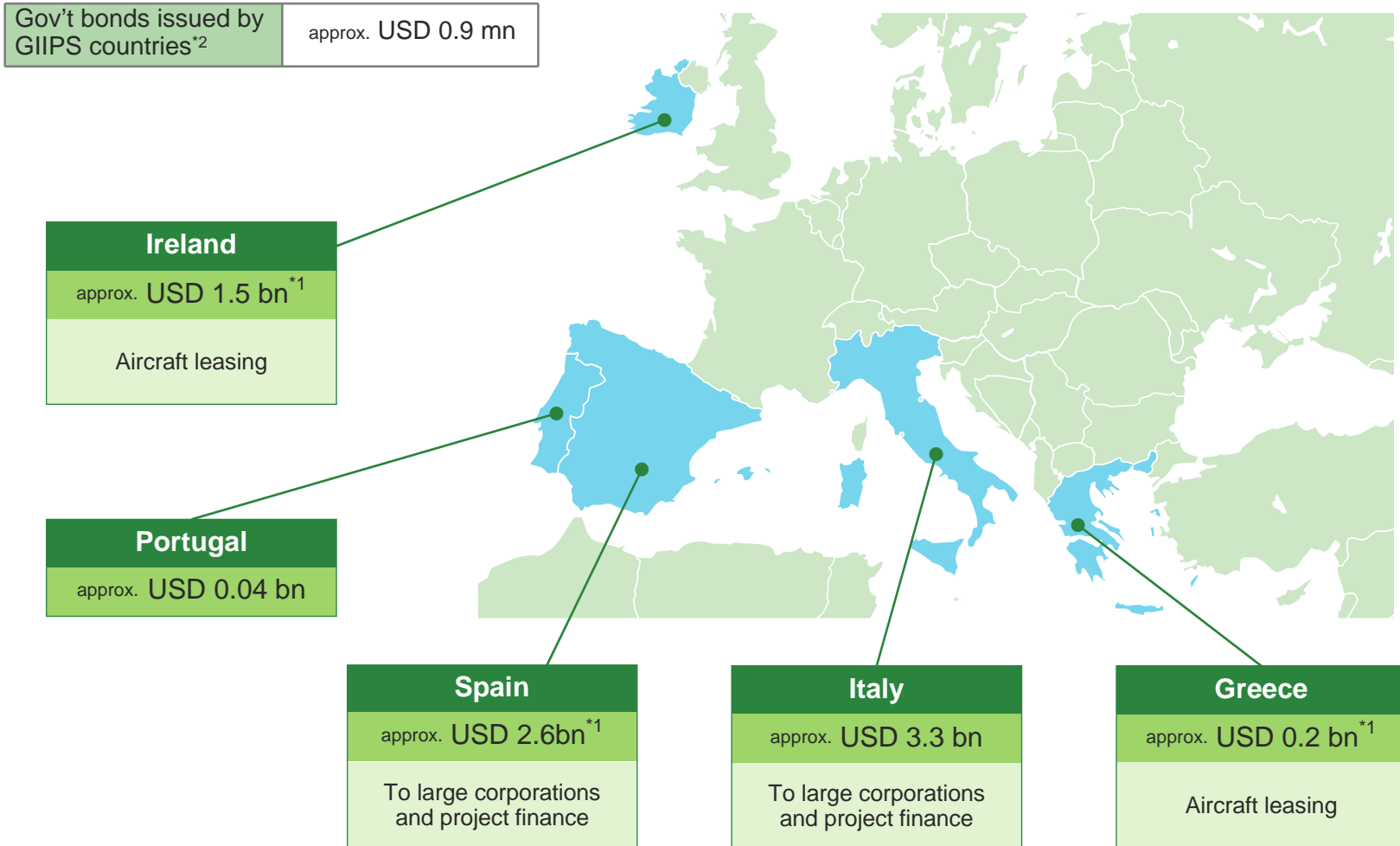
	(JPY bn)	Apr.-Dec. 2012	YOY Change
Variance with SMBC non-consolidated		87.4	+53.5
SMBC Consumer Finance*		29	+29
Cedyna		14	(5)
Kansai Urban Banking Corporation		10	(3)
MINATO BANK		5	+3

\* Former Promise, which became subsidiary of SMFG in Dec. 2011



# Exposure to GIIPS Countries

Exposure to GIIPS countries - approx. USD 7.6 billion\*<sup>1</sup> as of December 2012

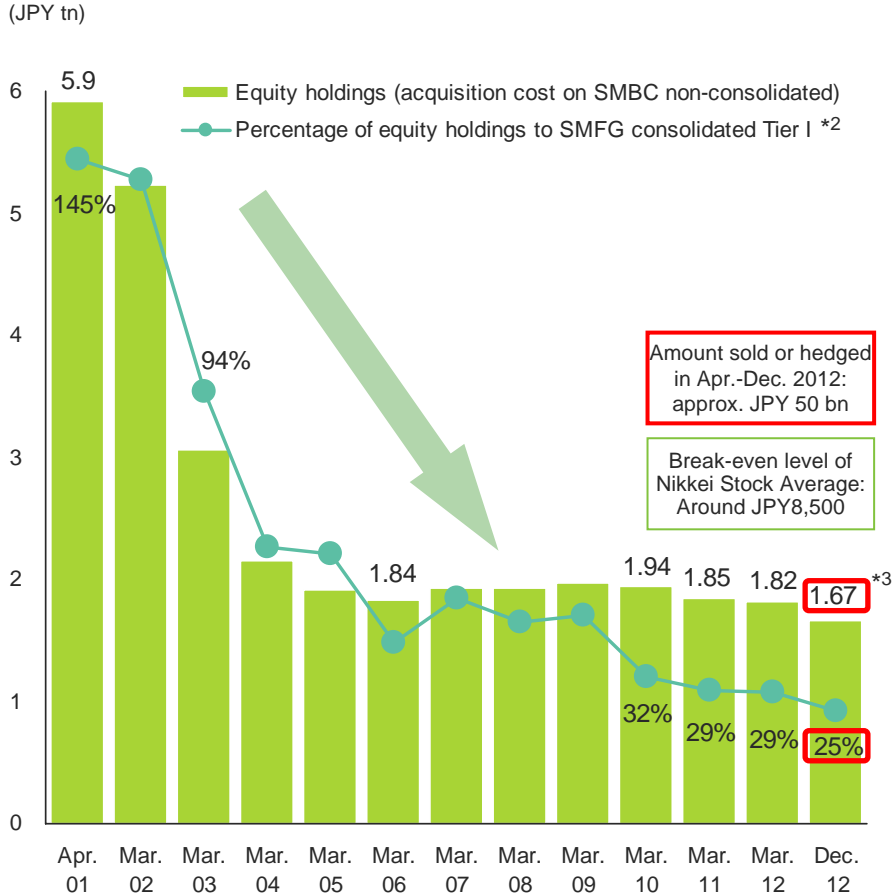


\*<sup>1</sup> Aircraft leasing by newly consolidated SMBC Aviation Capital is approx. USD 1.5 bn in total; USD 1 bn in Ireland, USD 0.3 bn in Spain and USD 0.2 bn in Greece

\*<sup>2</sup> Secondary holdings of government bonds in SMBC Nikko. USD 0.9 mn in Italy and USD 0.01 mn in Greece

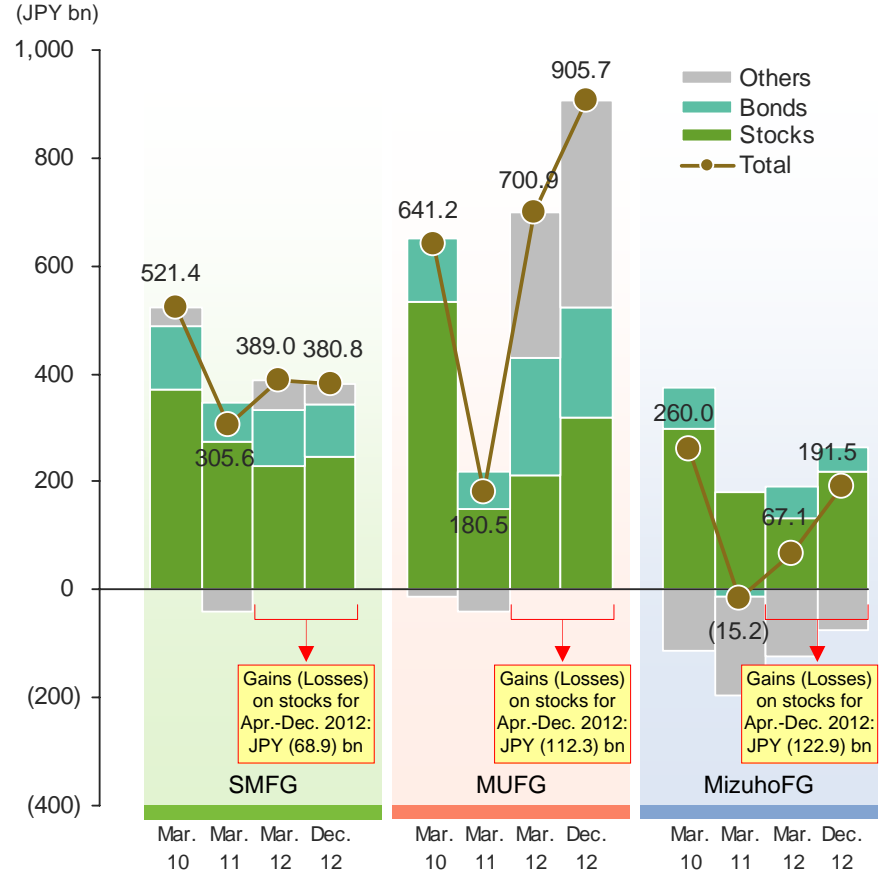
# Equity holdings

## Balance of equity holdings\*1



**Reduce un-hedged equity to 25% of Tier I capital**

## Unrealized gains (losses) on other securities\*4



\*1 Balance of domestic stocks classified as other securities with fair value \*2 Until Mar. 02, percentage to SMBC consolidated Tier I

\*3 Shares of SMFG related to share exchange for acquiring former Promise are excluded. Amount of un-hedged equity

\*4 Based on each company's disclosure. The figures shown in the graph are: non-consolidated figures of SMBC for SMFG, sum of non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking for MUFG, and sum of non-consolidated figures of Mizuho Bank, Mizuho Corporate Bank and Mizuho Trust & Banking for Mizuho FG

# Project finance, trade finance and CMS

## Project finance

- Team with high expertise committed to obtain mandates
- Leverage relationships with customers and ECAs to work on transactions with both Japanese and non-Japanese sponsors
- SMBC was awarded as the Global Bank of the Year 2012 by Project Finance International, the leading publication of global project finance industry



## League tables (Jan. – Dec. 2012)\*1

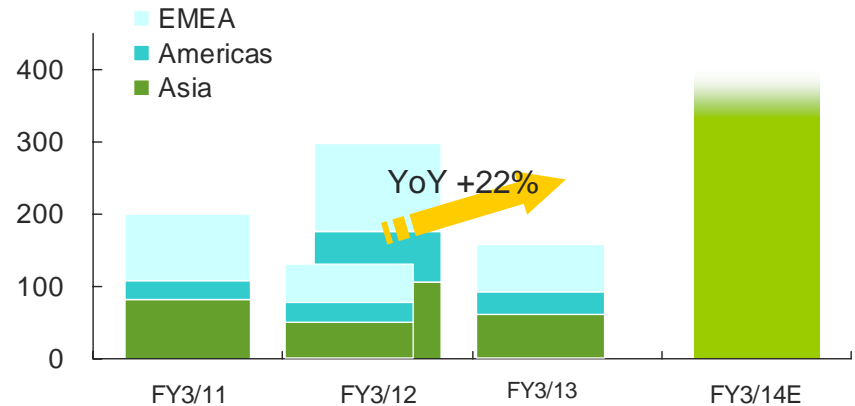
	Global	Asia*2	Japan
Project Finance	#3	#5	
Loan Syndication	#7	#1	#2

\*1 Source: Thomson Reuters (Mandated Arrangers) \*2 Project finance: Asia Pacific, Loan syndication: Asia (excl. Japan), all international currency syndicated and club loans

\*3 Source: "ASIAMONEY": Cash management Poll 2011 (Aug. 2012)

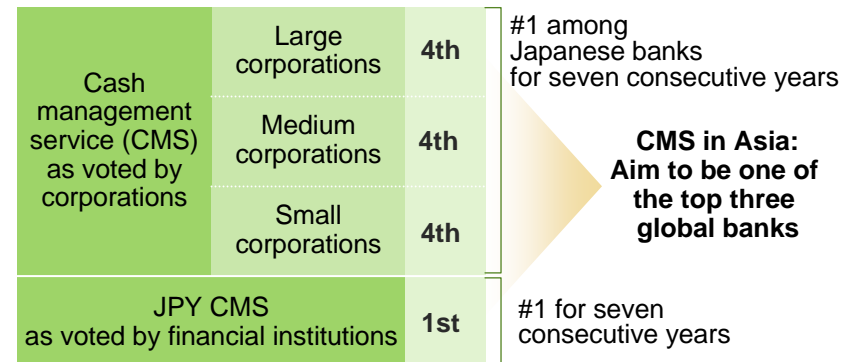
## Trade finance related profit

(USD mn)



## Cash Management Service

### Cash management providers' ranking (in Asia Pacific)\*3



- "SMAR&TS" (Sumitomo Mitsui Advanced Report & Transfer Services): Accommodating eight languages

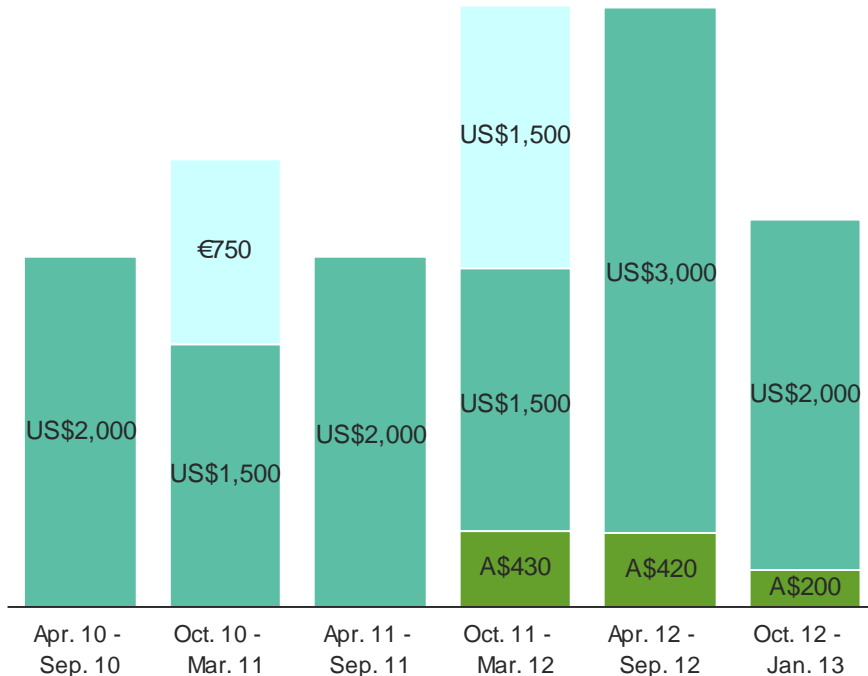
# Foreign currency funding

## Diversification of foreign-currency funding

- Issued foreign-currency denominated senior bonds to:
  - domestic retail investors in Dec. 2012
  - overseas institutional investors in Jan. 2013
- Issued AUD denominated transferable deposits to international investors in Feb. 2013 (AUD 500mn)

## Issue amount of foreign-currency denominated bonds (mn)

- Subordinated bonds to overseas investors
- Senior bonds to overseas investors
- Senior bonds to domestic retail investors



## Examples of USD senior bonds issuances by financial institutions

Maturity	Pricing date	Issuer	Issue Amount (USD mn)	Coupon (%)	Spread (bp)	Credit ratings*	
						Moody's	S&P
3 years	2013/1/3	Citigroup	1,750	1.250	95.0	Baa2	A-
	2013/1/7	Westpac Banking Corp	1,250	0.950	60.0	Aa2	AA-
	2013/1/7	Intesa SanPaolo Spa (New York)	2,000	3.125	275.0	Baa2	BBB+
	2013/1/8	Bank of America Corp	1,000	1.250	95.0	Ba2	A-
	2013/1/10	Sumitomo Mitsui Banking Corp	750	0.900	58.0	Aa3	A+
	2013/1/14	National Australia Bank Ltd	750	0.900	60.0	Aa2	AA-
	2013/1/17	ABN AMRO Bank NV	1,000	1.375	100.0	A2	A
5 years	2012/12/10	BNP Paribas (New York)	750	2.375	143.0	A2	AA-
	2012/12/11	Bank of Nova Scotia	1,000	1.375	77.0	Aa1	AA-
	2012/12/13	HSBC USA Inc	1,500	1.625	100.0	A2	A+
	2012/12/18	Wells Fargo & Co	1,250	1.500	78.0	A2	A+
	2013/1/7	Westpac Banking Corp	1,000	1.600	80.0	Aa2	AA-
	2013/1/7	Royal Bank of Canada	1,250	1.500	72.0	Aa3	AA-
	2013/1/7	Intesa SanPaolo Spa (New York)	1,500	3.875	310.0	Baa2	BBB+
	2013/1/8	Bank of America Corp	2,000	2.000	125.0	Baa2	A-
	2013/1/10	Sumitomo Mitsui Banking Corp	750	1.500	77.0	Aa3	A+
2013/1/17	Canadian Imperial Bank of Commerce	750	1.550	78.0	Aa2	A+	
10 years	2013/1/8	Bank of America Corp	3,000	3.300	150.0	Baa2	A-
	2013/1/10	Sumitomo Mitsui Banking Corp	500	3.000	117.0	Aa3	A+
	2013/1/14	National Australia Bank Ltd	750	3.000	117.0	Aa2	AA-

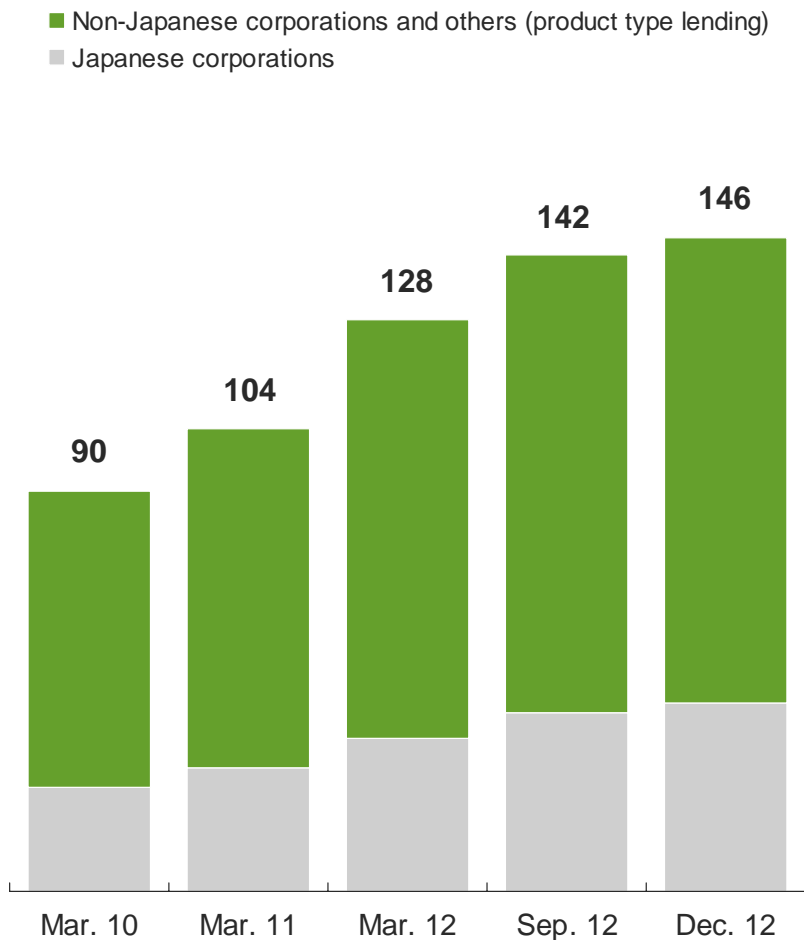
\* Credit ratings at time of issuance

# Overseas loan balance classified by borrower type

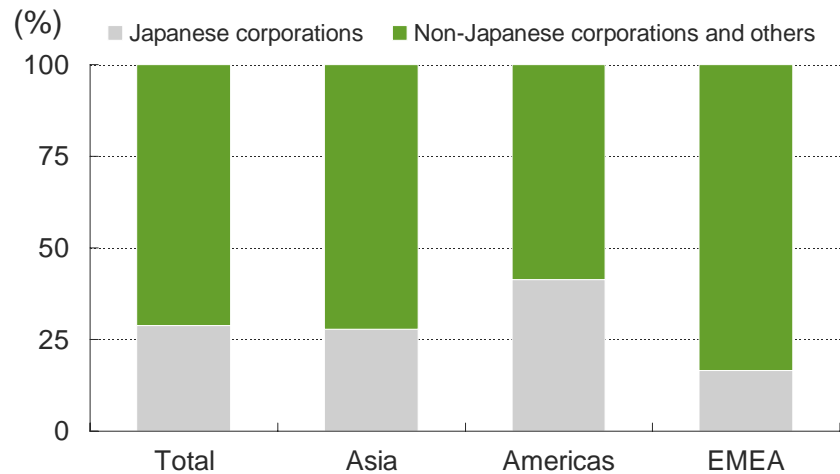
(Geographic classification based on booking office)\*

## Total

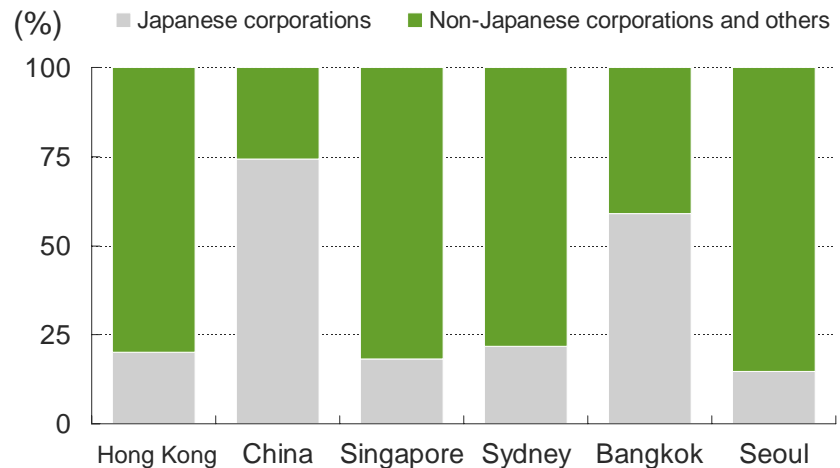
(USD bn)



## By region (Dec. 2012)



## Major marketing channels in Asia (Dec. 2012)

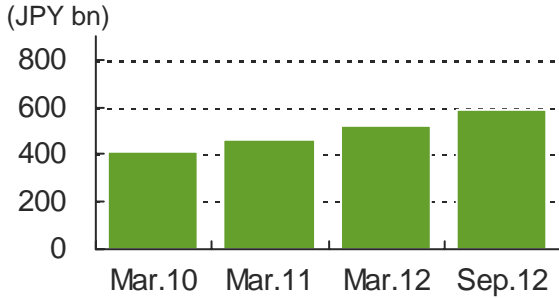


\* Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China).

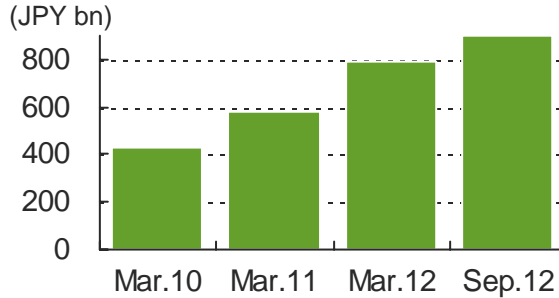
# Loan balance in Asian countries

(Geographic classification based on domicile of borrowers) \*

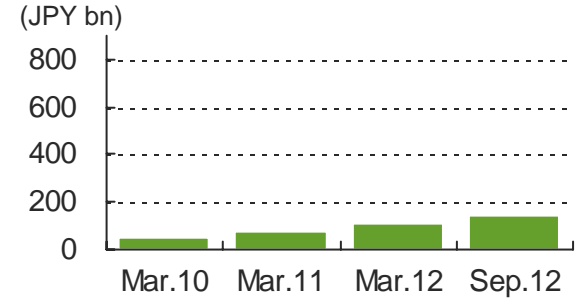
## China



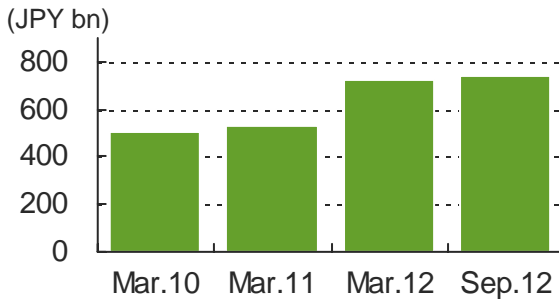
## Hong Kong



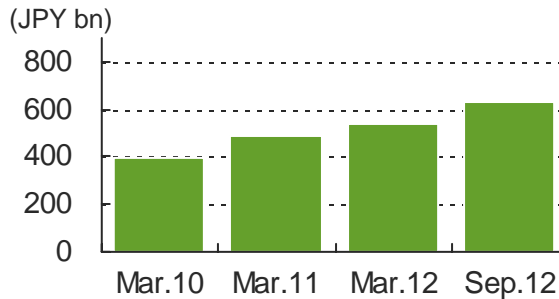
## Taiwan



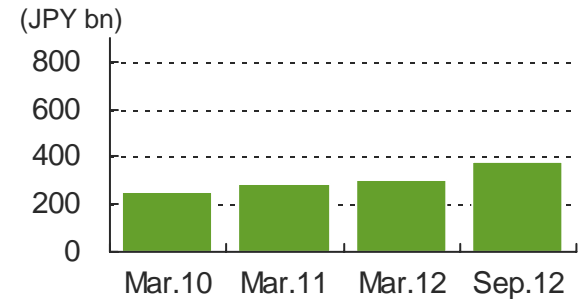
## Singapore



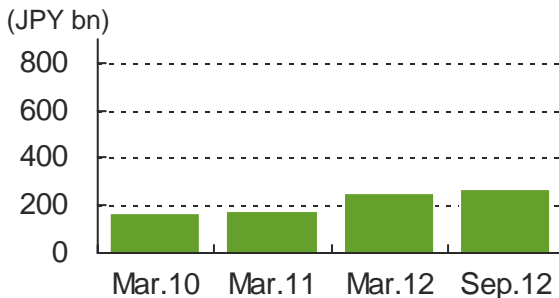
## Australia



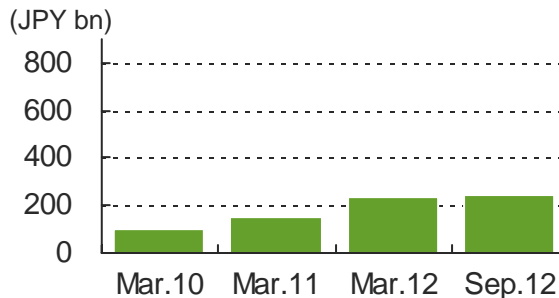
## Thailand



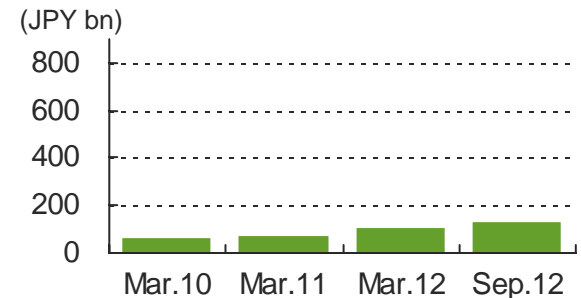
## Korea



## India



## Indonesia



\* Sum of SMBC, SMBC E and SMBC (China). Loan balances as of Mar. 31, 2012 and before are exchanged to JPY from each country's local currency at the exchange rate of Sep. 30, 2012

# Our footprint in Asia\*1

## China

- Mainland China: 15 offices  
Shenzhen Br. opened (May 2011)  
Chongqing Br. opened (Aug. 2012)

• Responsibility of relationship with Japanese corporations in the Greater China area is taken by planning department in charge of domestic corporate business (Apr. 2012)

• Established Transaction Business Planning Dept. and Transaction Business Division to strengthen transaction services function (Apr. 2012)

## Korea

- Global Korea Corporate Banking Dept. established (Apr. 2011)

## India

- New Delhi Rep. Office opened (Apr. 2011); approval for preparation for branch open (May 2012)

## Myanmar

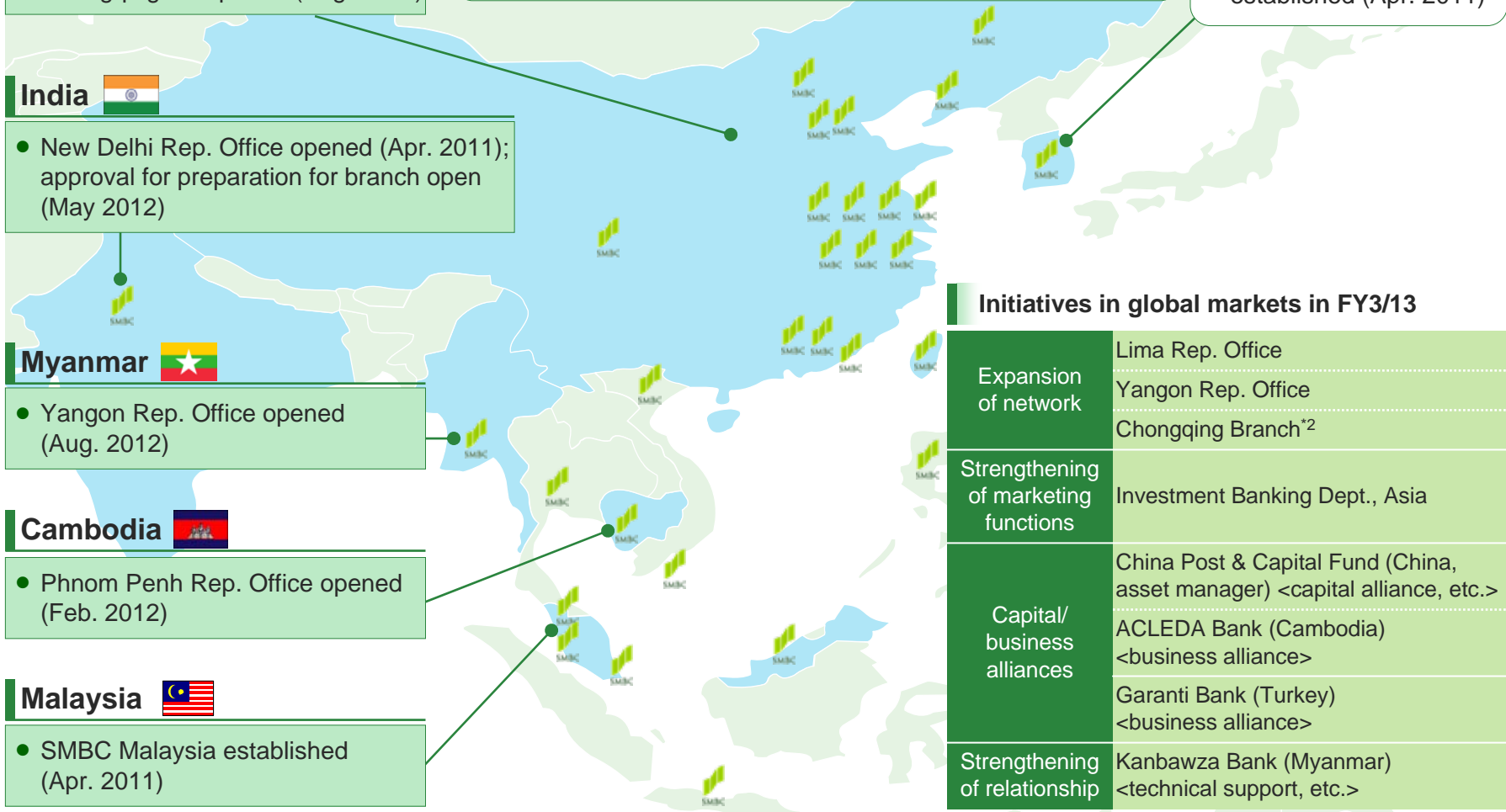
- Yangon Rep. Office opened (Aug. 2012)

## Cambodia

- Phnom Penh Rep. Office opened (Feb. 2012)

## Malaysia

- SMBC Malaysia established (Apr. 2011)



Initiatives in global markets in FY3/13	
Expansion of network	Lima Rep. Office Yangon Rep. Office Chongqing Branch*2
Strengthening of marketing functions	Investment Banking Dept., Asia
Capital/business alliances	China Post & Capital Fund (China, asset manager) <capital alliance, etc.>
	ACLEDA Bank (Cambodia) <business alliance>
Strengthening of relationship	Garanti Bank (Turkey) <business alliance>
	Kanbawza Bank (Myanmar) <technical support, etc.>

\*1 Channels opened since Apr. 2011 are listed above \*2 Branch of SMBC (China)

## Our strategic partners in Asia\*

	Strategic Partner	Relationship since	Outline of alliance / cooperation
China	Bank of China	2000	Renminbi business cooperation
	Industrial and Commercial bank of China	1995	Ship finance business in China
	Agricultural Bank of China	2002	Funding activities in China
Korea	<b>Kookmin Bank</b>	2007	Mutual introduction of customers inside/outside Japan/Korea, Loan syndication, funding activities Invested in KB Financial Group, the holding company, in 2008
Taiwan	First Commercial Bank	2007	Local currency funding in China and Taiwan, usage of channel network
Hong Kong	<b>Bank of East Asia</b>	2008	Mutual introduction of customers in China and Hong Kong, credit card business, funding activities Invested in 2009 and 2012
Philippines	Metrobank	1995	Introduction of customers in Philippines, local currency transaction, usage of channel network. Established Japan desk in 2007
Vietnam	<b>Vietnam Eximbank</b>	2007	Retail and SME banking business in Vietnam Invested in 2008. Entered into technical service agreement in 2009
Malaysia	RHB Bank	1974	Local currency funding in Malaysia, transaction services, Islamic finance
Indonesia	Bank Central Asia	2009	Local currency funding in Indonesia, transaction services including CMS
Cambodia	ACLEDA Bank	2012	Usage of channel network in Cambodia, transaction services, trade finance
India	<b>Kotak Mahindra Bank</b>	2010	Asset management business in India such as establishing infrastructure fund, securities and investment banking business. Invested in 2010

\* Boldfaced banks: SMBC has equity stake



# SMBC Aviation Capital

## 1H, FY3/2013 performance

- Commenced operation as “SMBC Aviation Capital” on June 1, 2012
- Launched plans to merge SMFL Aircraft Capital Corporation B.V. (Netherlands), SMFL Aircraft Capital Japan Co., Ltd. (Japan) and Sumisho Aircraft Asset Management B.V. (Netherlands) into SMBC Aviation Capital in October 2012

## Key financial information during Jun. - Sep. 2012

(USD mn)

<b>Total Revenue</b> <sup>*1</sup>	230
<b>Net Income</b> <sup>*2</sup>	60

<b>Aircraft Assets</b>	7,200
<b>Net Assets</b>	1,012

## Business model

- Capitalize on buying power as the third largest lessor in the industry
- Refinanced approx. USD 3 bn of existing debt by loan from the Japan Bank for International Cooperation to reduce interest expenses
- Control profit volatility through a “Buy and sell” business model

## Ranking after acquisition<sup>\*3</sup>

	Leasing Company	Nationality	No. of Aircraft
1	GECAS	U.S.	1,755
2	ILFC	U.S.	1,031
	<b>former RBS AC + SMFG/SC Group<sup>*4</sup></b>		<b>335</b>
3	BBAM	U.S.	327
4	AerCap	Netherlands	326
5	CIT Aerospace	U.S.	263
6	former RBS AC	Ireland	246
	:		
17	SMFG/SC Group <sup>*4</sup>	Netherlands	89

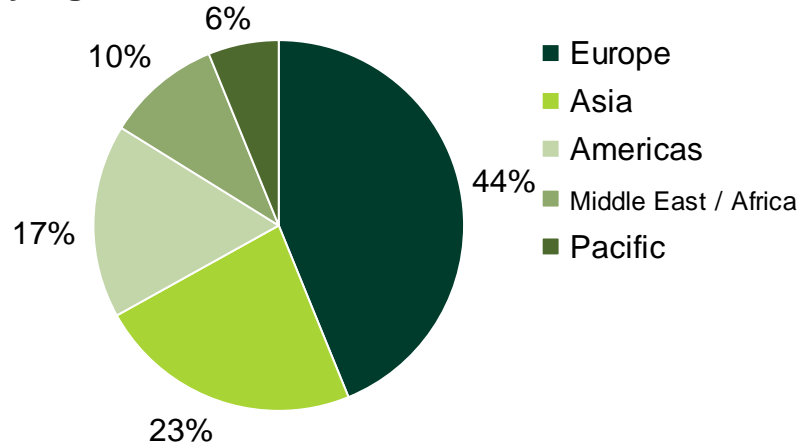
<sup>\*1</sup> Leasing revenue + gains (losses) of sales of aircraft <sup>\*2</sup> Net income of SMBC Aviation capital, 66% of which contributed to SMFG consolidate net income <sup>\*3</sup> As of Dec 31, 2011 (Source: Ascend)

<sup>\*4</sup> Aggregate of SMFL Aircraft Capital Corporation B.V., a subsidiary of Sumitomo Mitsui Finance and Leasing, and Sumisho Aircraft Asset Management B.V., a subsidiary of Sumitomo Corporation

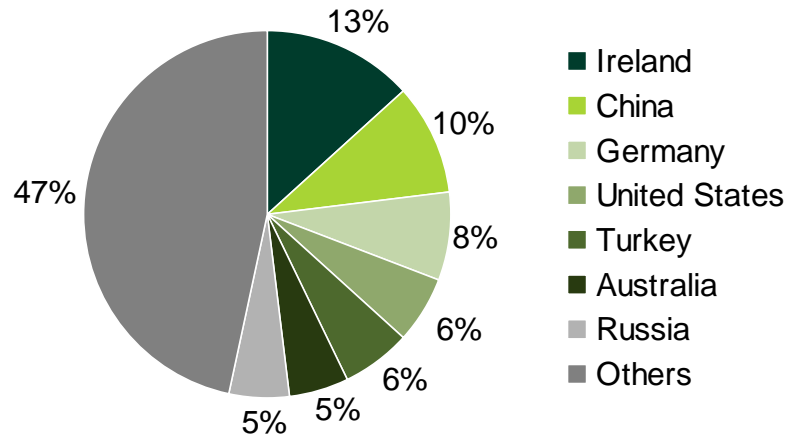
# SMBC Aviation Capital

## Breakdown of lessees\*1

### By region

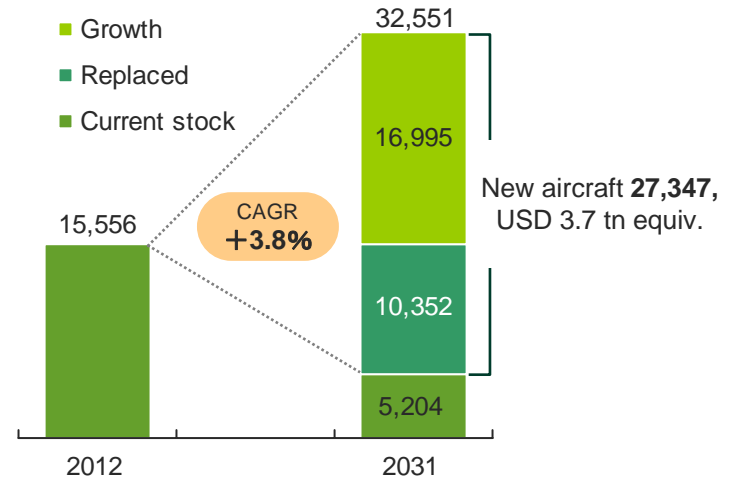


### By country

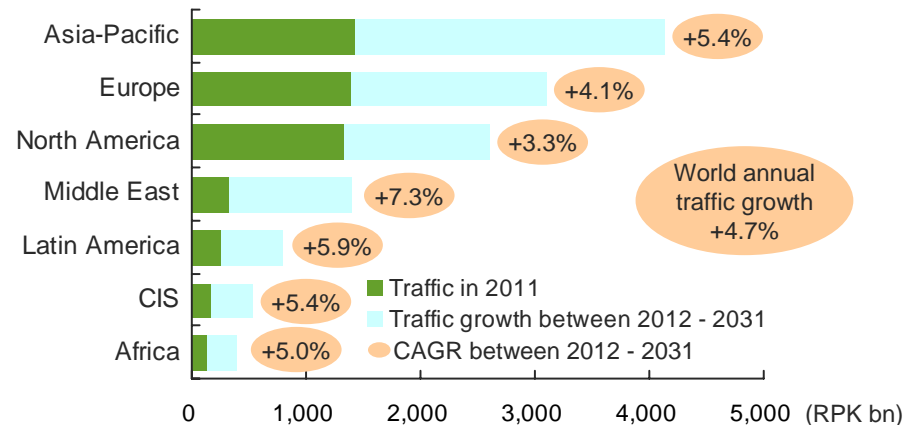


## Estimate of passenger aircraft demand\*2

(No. of aircraft)



## Estimate of airline traffic by airline domicile\*2



\*1 As of Sep. 30, 2012 \*2 Airbus Global Market Forecast 2012-2031

# Synergies between SMBC and SMBC Nikko

## SMBC Nikko's consolidated financial performance

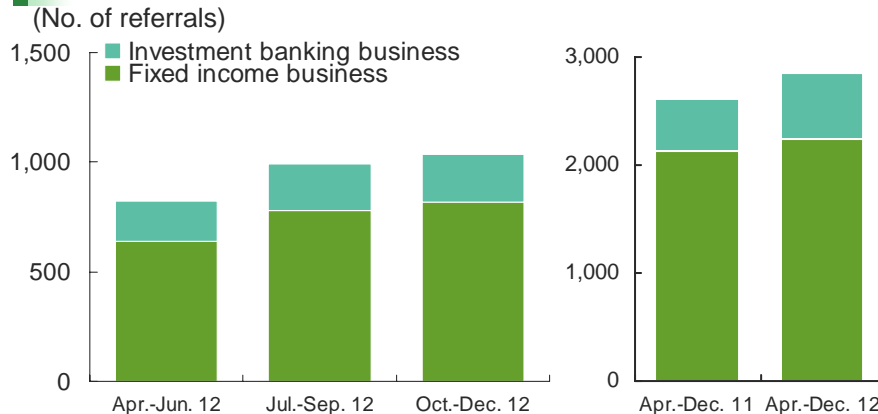
(JPY bn)	FY3/2012	Apr.-Dec. 2012	YOY change
<b>Net operating revenue</b>	228.8	175.0	+11.2
<b>SG&amp;A expenses</b>	(185.1)	(141.0)	(5.6)
<b>Ordinary profit</b>	44.5	34.8	+6.0
<b>Net income*1</b>	19.4	18.8	+9.7

## League tables (Apr.-Dec. 2012, SMBC Nikko)

	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount)*2	#2	16.6%
JPY denominated bonds (lead manager, underwriting amount)*3	#5	9.8%
Financial advisor (M&A, transaction volume)*4	#7	18.2%
Financial advisor (M&A, No. of deals)*4	#5	2.4%

## Synergies between SMBC and SMBC Nikko

### Number of referrals from SMBC to SMBC Nikko



## SMBC Nikko's topics

- Achieved the highest net operating revenue and ordinary profit in 3Q, FY3/2013 on a quarterly basis since joining SMFG group
- Commenced Japanese stock brokerage and M&A advisory business in Singapore in Oct. 2012
- SMBC and SMBC Nikko released an on-line account linkage service called "Bank and Trade" in Oct. 2012
- Launched testamentary trust agency business in Nov. 2012
- "Nikko Gravity Americas Fund", launched in Dec. 2012 with launch value of JPY 200.1 bn, was the first investment trust which exceeded launch value of JPY 200 bn since Oct. 2006

\*1 of which JPY (4.8) bn resulted from changes in the corporate income tax rate in FY3/2012

\*2 Source: SMBC Nikko, based on data from Thomson Reuters. Relating only activities of Japanese corporations

\*3 Source: SMBC Nikko. Consisting of corporate bonds, FILP agency bonds, municipality bonds, and samurai bonds

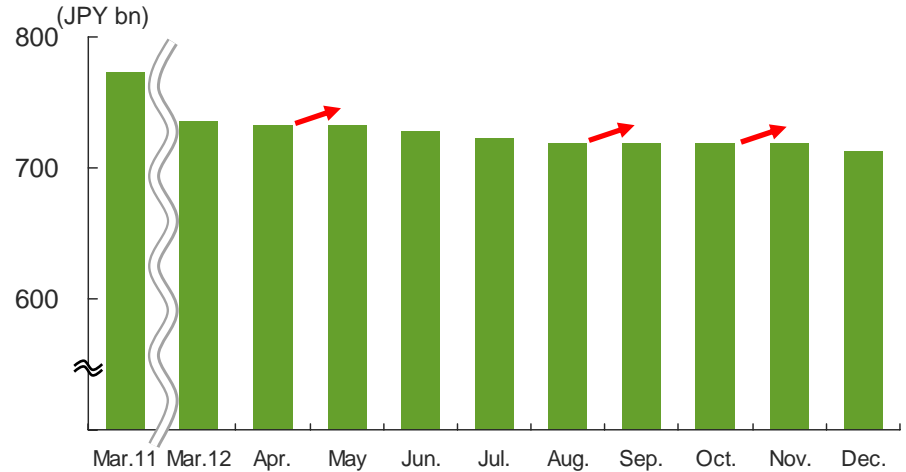
\*4 Source: Thomson Reuters. Relating only activities of Japanese corporations. Excluding real estate deals

# SMBC Consumer Finance

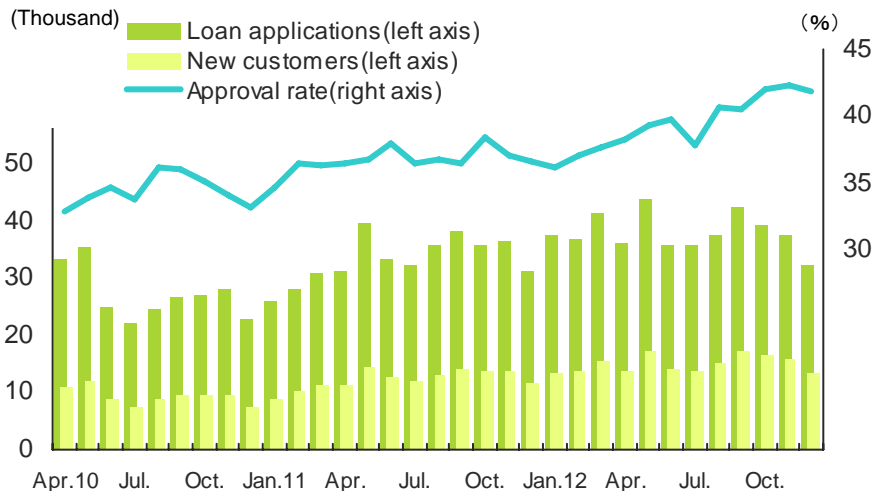
## SMBC Consumer Finance's consolidated financial performance

(JPY bn)	FY3/2012	Apr.-Dec. 2012	YOY change
<b>Operating income</b>	196.1	140.6	(7.1)
<b>Ordinary profit*1</b>	(155.4)	51.0	+230.7
<b>Net income*1</b>	(169.5)	48.9	+231.1
<b>Consumer loans outstanding</b>	759.3	743.6	
<b>Loan guarantee</b>	581.5	636.9	

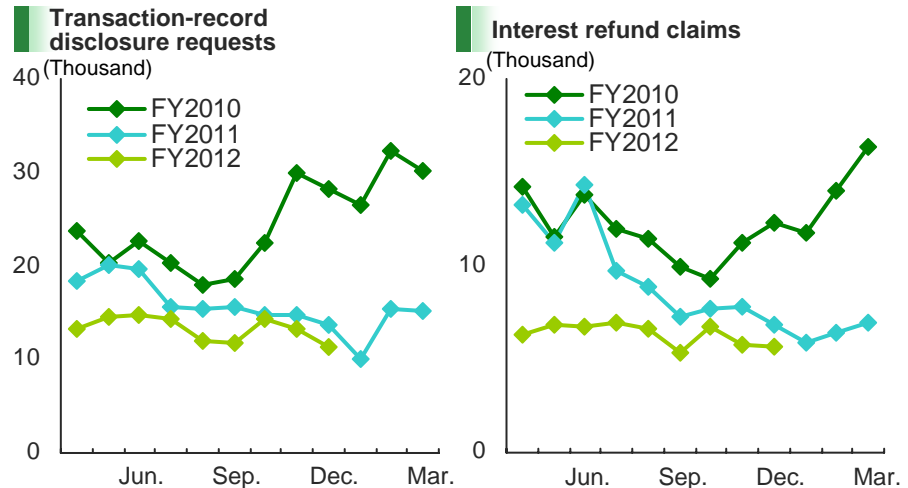
## Consumer loans outstanding in SMBC Consumer Finance\*2



## Loan applications and new customers/approval rate in SMBC Consumer Finance



## Transaction-record disclosure requests and interest refund claims in SMBC Consumer Finance\*2



\*1 Implemented an additional provision for the interest refund-related allowance of JPY 240 bn in FY3/2012 to prepare sufficiently for interest refund claims

\*2 Non-consolidated basis

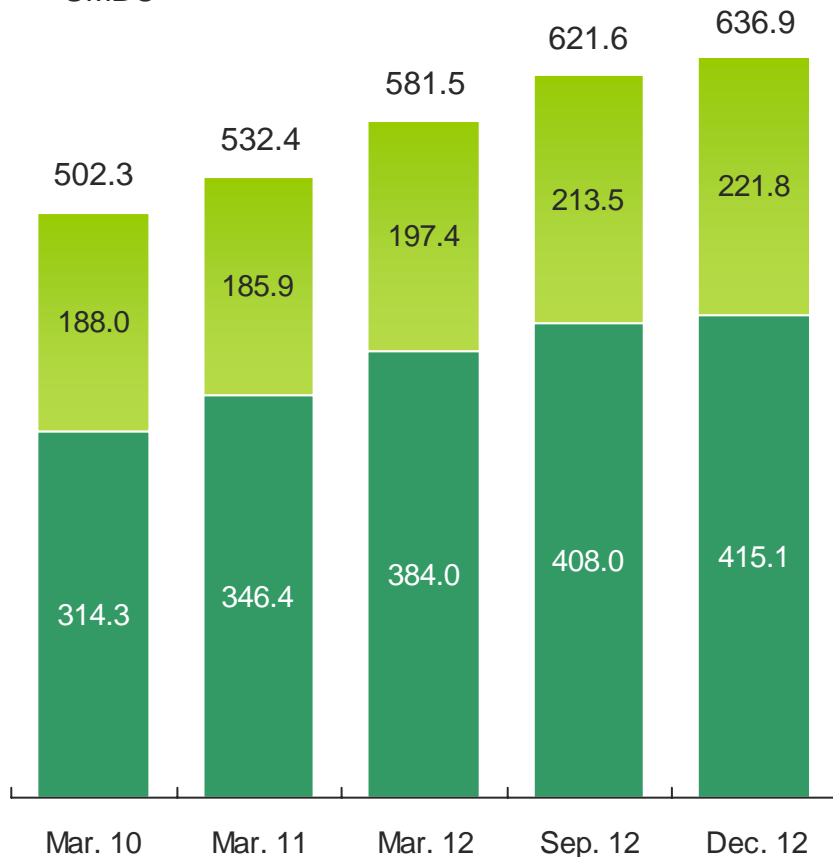
# SMBC Consumer Finance

## Loan guarantee business

Loan guarantee outstanding (JPY bn)

\* Number of companies with guarantee agreements: 186

- Regional financial institutions, etc.
- SMBC

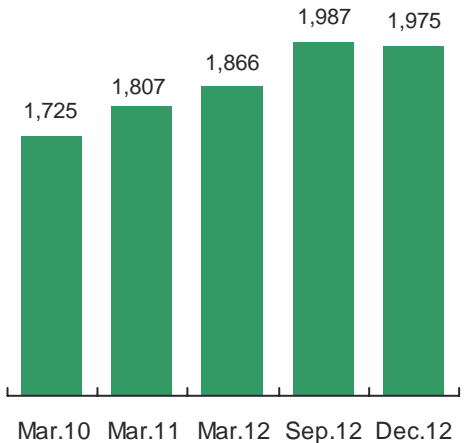


## Overseas business

Overseas loans outstanding as of Dec. 12\*<sup>1</sup> (JPY bn)

Hong Kong	22.05
Thailand	5.29
Shenzhen	3.75
Shenyang	0.51

Loans outstanding (HKD mn)



## Financial performance of Promise (Hong Kong)\*<sup>2</sup>

(JPY bn)	FY3/11	FY3/12 (15-month period)	Apr.-Dec. 2012
Operating income	7.4	8.9	5.7
Ordinary Profit	4.2	5.2	3.0
Net income	3.4	4.3	2.5

\*1 Local currencies converted into JPY \*2 Figures before consolidation adjustments. Local currencies converted into JPY. FY3/12 was an irregular 15-month period due to a change in fiscal year-end

# Capital policy and return to shareholders

## Capital policy

### Common equity Tier 1 capital (Core Tier I capital\*1)

- Aim for Core Tier I ratio of 8% at March 2014 by accumulating earnings
- Estimates increase of risk-weighted assets by 10% from Basel III implementation

### Additional Tier 1 capital

- Sufficient amount of preferred securities to be grandfathered beyond introduction of Basel III
- No need for issuance of "new-style" Tier I securities for a while

### Tier 2 capital

- Sufficient amount of sub debt to be grandfathered
- Also able to issue "old-style" sub debt\*2 in FY3/2013

## Treasury stock (SMFG shares)

- Held by SMFG: 3.8 million shares\*3
- Held by SMBC: 56.2 million shares\*3

## Return to shareholders

- Dividends per share planned at JPY 100 in FY3/2013
- Above 20% consolidated payout ratio (FY3/2012: 26.8%, FY3/2013 estimate: 26.1%)

	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12	FY3/13 forecast
Dividend per share (JPY)*4,5	120	90	100	100	100	100
Consolidated payout ratio*4	20.5%	-	46.8%	30.0%	26.8%	26.1%
BPS (JPY, period-end)*5	4,245.46	2,790.27	3,391.75	3,533.47	3,856.37	
ROE*6	12.3%	-	7.5%	9.9%	10.4%	

## Preferred securities which become callable in FY3/14

	Issue date	Aggregate issue amount	Dividend rate*7	First call date*8	Type
SMFG Preferred Capital USD 2 Limited	May 2008	USD 1,800 mn	8.75%	Jul. 2013	Non step-up
SMFG Preferred Capital JPY 2 Limited					
Series D	Dec. 2008	JPY 145.2 bn	4.76%	Jan. 2014	Non step-up
Series G	Jan. 2009	JPY 125.7 bn	4.65%	Jan. 2014	Non step-up


\*1 Common Equity Tier 1 Capital under Basel III \*2 Subordinated debt issued based on Basel II to be grandfathered beyond introduction of Basel III, such as those in bullet format, and in callable format without step-up clause and redeemable 5 years after issuance \*3 Reflecting impact of 100% acquisition of Promise on April 1, 2012 \*4 Common stock only

\*5 SMFG implemented a 100 for 1 stock split of common stock on January 4, 2009. Figures shown above reflect the stock split, assuming that it had been implemented at the beginning of FY3/08

\*6 On a stockholders equity basis \*7 For SMFG Preferred Capital JPY 2 Limited only, floating rate after the first call date

\*8 Callable at any dividend payment date on and after the first call date, subject to the prior approval of the FSA

# International financial regulations

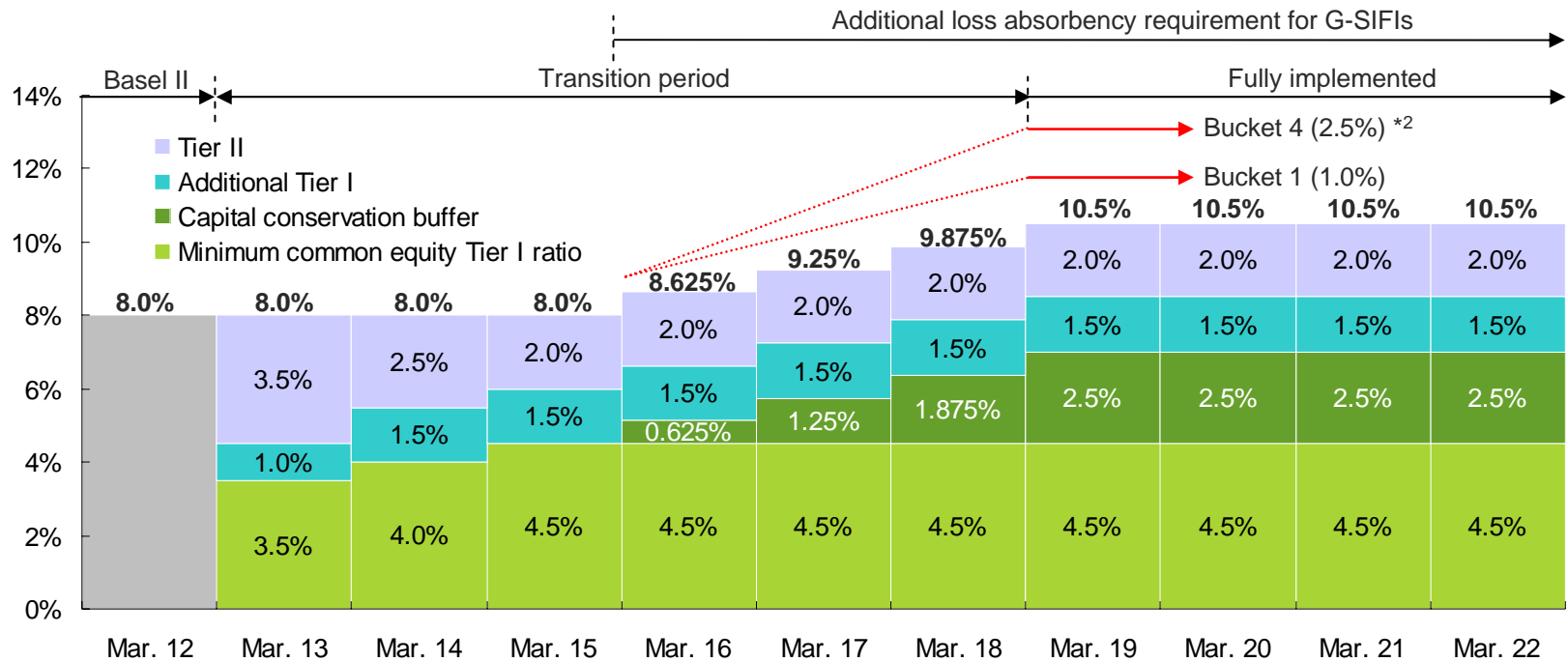
Target institutions	Regulations	Contents of regulation	Effective date	Action taken & impact on SMFG
 <b>G-SIFIs</b>	G-SIFIs capital surcharge G20	<ul style="list-style-type: none"> <li>Required for additional loss absorption capacity above the Basel III minimum</li> <li>Required level of CET1 ratio for SMFG: 8.0%</li> </ul>	2016	⊙ Aiming to achieve 8% Core Tier I ratio by end of Mar. 2014, earlier than deadline
	Recovery and Resolution Plan G20 US UK	<ul style="list-style-type: none"> <li>Should submit Group RRP by the end of 2012</li> <li>May need to submit RRP related to US operations</li> <li>Need to submit SMBCE's RRP to UKFSA</li> </ul>	End of 2012 US: Dec. 2013?  UK: Dec. 2012	○ Work in progress to submit plans at respective due dates
<b>Internationally active banks</b>	OTC derivatives markets reforms G20 US	<ul style="list-style-type: none"> <li>Centralizing of OTC derivatives clearing</li> <li>Restricted banks' derivatives trading (Derivatives Push-Out Provision)</li> </ul>	Dec. 2012 US: Jul. 2012	△ Taking actions needed although impact will be smaller compared to investment banks
	Limitation on banking activities - Retail ring fencing - Volcker Rule EU US	<ul style="list-style-type: none"> <li>Ring-fenced banks prohibited from providing certain services and required to be isolated from the rest of financial group in UK and EU</li> <li>Depository institution and its affiliates prohibited from "proprietary trading", sponsorship and ownership in fund in US</li> </ul>	TBD	⊙ No retail business in UK (although paying close attention to the discussion)
	Capital requirement G20	<ul style="list-style-type: none"> <li>Required to raise the level and quality of the capital and enhance risk coverage under Basel III</li> </ul>	Jul. 2012 (phase-in) Jul. 2014 (full implementation)	○ Business related to regulation is limited. Paying close attention to discussions
<b>Domestic banks</b>	Fundamental review of trading book G20	<ul style="list-style-type: none"> <li>Strengthened capital standards for market risk, such as reviewing the trading book/banking book boundary for capital regulation</li> </ul>	TBD	△ Details of regulation remain unclear. Certain impact will be possible depending on contents
	Leverage ratio requirement G20	<ul style="list-style-type: none"> <li>Non-risk-based measure based on "on- and off-accounting balance sheet items" against Tier I capital. Minimum requirement: 3% (transition period commenced in 2011)</li> </ul>	2018	○ Currently have no issues in meeting requirements although paying attention to national finish
	Minimum standards for liquidity (LCR / NSFR) G20	<ul style="list-style-type: none"> <li>LCR: Required to have sufficient high-quality liquid assets to survive a significant stress scenario lasting for one month. &gt;=100% needed</li> </ul>	2015	○ In good position due to domestic deposit base. Intend to further strengthen foreign currency ALM
		<ul style="list-style-type: none"> <li>NSFR: Required to maintain a sustainable maturity structure of assets and liabilities &gt;100% needed</li> </ul>	2018	
	Other regulations G20	<ul style="list-style-type: none"> <li>strengthen the oversight and regulation of the shadow banking system illustrated such as MMFs, repos and securitizations</li> </ul>	TBD	△ Direction of regulation unclear. Still need attention

⊙ Able to meet requirements easily   ○ Able to meet requirements   △ Impact unclear

# Summary of regulatory capital framework

In March 2012, the Japanese FSA amended requirements regarding bank capital\*1

- Basically consistent with Basel III text
- Effective from the end of March 2013 to conform with the fiscal year end of Japanese banks



Phase-in of deductions\*3  
Grandfathering of capital instruments

-	20%	40%	60%	80%	100%	100%	100%	100%	100%
90%	80%	70%	60%	50%	40%	30%	20%	10%	-

\*1 Drafts of other rules that are to be implemented after 2014, such as rules on capital buffers and liquidity standards, will be published at a later stage

\*2 With an empty bucket of 3.5% to discourage further systemicness

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



# Credit ratings of G-SIBs (Moody's)\*

	Apr. 2001		Jul. 2007		Jan. 2013	
Aaa			Bank of America Bank of New York Mellon Citibank JPMorgan Chase Bank	Royal Bank of Scotland UBS Wells Fargo Bank		
Aa1	Bank of America Crédit Agricole	Wells Fargo Bank UBS	Banco Santander Barclays Bank BBVA BNP Paribas Crédit Agricole Credit Suisse	Deutsche Bank HSBC Bank ING Bank Nordea Bank Société Générale State Street Bank & Trust		Bank of New York Mellon
Aa2	Bank of New York Mellon Barclays Bank BBVA Citibank HSBC Bank	ING Bank JPMorgan Chase Bank Royal Bank of Scotland State Street Bank & Trust	<b>SMBC</b> BPCE(Banque Populaire) <b>BTMU</b>	<b>Mizuho CB/BK</b> UniCredit		State Street Bank & Trust
Aa3	Banco Santander BNP Paribas BPCE(Banque Populaire)	Deutsche Bank Société Générale UniCredit	Goldman Sachs Bank	Morgan Stanley Bank	<b>SMBC</b> <b>BTMU</b> HSBC Bank	JPMorgan Chase Bank Nordea Bank Wells Fargo Bank
A1	Credit Suisse		Bank of China		Bank of China Credit Suisse	<b>Mizuho CB/BK</b> Standard Chartered
A2	<b>BTMU</b>	Standard Chartered	Standard Chartered		Barclays Bank BNP Paribas BPCE(Banque Populaire) Crédit Agricole Deutsche Bank	Goldman Sachs Bank ING Bank Société Générale UBS
A3	<b>SMBC</b>	<b>Mizuho CB/BK</b>			Bank of America Citibank	Morgan Stanley Bank Royal Bank of Scotland
Baa1	Bank of China					
Baa2					Banco Santander UniCredit	
Baa3					BBVA	

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

# Progress of the financial targets

- We are achieving the financial targets of our medium-term management plan ahead of schedule

Core Tier I ratio (pro forma)	Mar. 2011	Sep. 2012	Mar. 2014 Target
Basel III fully loaded basis	above 6%	around 7.5%	8%
Basel III transitional basis	above 8%	around 9.5%	

	FY3/2011	1H, FY3/2013	FY3/2014 Targets
Consolidated net income RORA	0.8%	1.2%* <sup>2</sup>	0.8%
Consolidated ROE	10.4%	12.8%* <sup>2</sup>	
Consolidated overhead ratio	52.5%	51.7%	50% - 55%
SMBC non-consolidated overhead ratio	45.6%	45.5%	45% - 50%
Overseas banking profit ratio* <sup>1</sup>	23.3%	30.7%	30%

\*1 Based on the medium-term management plan assumed exchange rate of 1USD=JPY85 for FY3/2012 to FY3/2014

\*2 Annualized

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; our ability to successfully implement our business strategy through our subsidiaries, affiliates and alliance partners; exposure to new risks as we expand the scope of our business; and incurrence of significant credit-related costs. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements. Please refer to our most recent disclosure documents such as our annual report or registration statement 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.

