

Sumitomo Mitsui Financial Group, Inc.  
Sumitomo Mitsui Banking Corporation  
SMBC Trust Bank Ltd.

## SMBC Trust Bank's acquisition of Citibank Japan's retail banking business

TOKYO, December 25, 2014---Sumitomo Mitsui Banking Corporation (“SMBC”; President and CEO: Takeshi Kunibe) and Citigroup Inc. (“Citi”; CEO: Michael L. Corbat; Headquarters: New York, USA) today reached an agreement that SMBC Trust Bank Ltd. (“SMBC Trust”; President and CEO: Masahiro Nakagawa), a wholly owned subsidiary of SMBC, will undertake the acquisition (“the acquisition”) of the retail banking business of Citibank Japan Ltd. (“Citibank Japan”; Representative Director, President & CEO: Peter B. Eliot), a wholly owned subsidiary of Citi, subject to regulatory approvals.

Citi and SMBC Trust today agreed to cooperate to ensure a smooth transition of the business to SMBC Trust, and signed a comprehensive agreement to ensure the continued offering of products and services.

### 1. Overview of the acquisition

According to the agreement, SMBC Trust will acquire all of the Citibank Japan's retail banking business, including approximately 740,000 retail customers, 32 branches and approximately 1,600 employees.

Overview of Citibank Japan's retail banking business (as of September 30, 2014)

Total deposits:	JPY 2,440 billion
Number of employees:	Approx. 1,600 (including some employees seconded to affiliated entities etc.)
Number of branches:	32 (including Internet Branch and Kansai Mini Branch, as of November 30, 2014)
Number of customers:	Approx. 740,000

(Reference) About SMBC Trust

SMBC Trust was formerly known as Societe Generale Private Banking Japan Ltd., acquired by SMBC in October, 2013 from Societe Generale S.A., one of the largest financial institutions based in France. SMBC Trust is a trust bank that mainly offers private banking services with tailor-made asset management products, leveraging its trust bank functions.

## Overview of SMBC Trust (as of September 30, 2014)

Incorporation:	1986
Headquarters:	Ark Mori Bldg. 16F, 1-12-32 Akasaka, Minato-ku, Tokyo, Japan
Total assets under management:	JPY 271.4 billion
Total assets:	JPY 210.1 billion
Net assets:	JPY 44.8 billion

## 2. Future direction of SMBC Trust

### (1) The new bank that SMBC Trust envisions

SMBC Trust will fully take over from Citibank Japan the retail banking business that is highly unique. Specifically, SMBC Trust will expand the business model that (a) focuses on affluent individuals who reside in urban areas and are interested in global products and professional services and (b) offers products and services including foreign currency investment products and global services through its highly professional bankers.

Through the expansion, SMBC Trust aims to become a bank that is highly unique compared with other domestic commercial banks and trust banks, by leveraging its features such as global presence and sophisticated services of a global financial institution. Moreover, SMBC Trust strives to grow into a core trust bank within the franchise of Sumitomo Mitsui Financial Group, Inc. (“SMFG”) by improving its profitability through cost reductions accomplished by the shared use of system infrastructure with SMBC.

### (2) Three pillars of products and services

#### (a) Continuous offering of transferred products and services

All products and services of Citibank Japan’s retail banking business will be transferred to SMBC Trust. For example, customers will be able to continue to use their cash cards as today in Japan and overseas through approximately 1.9 million ATMs in more than 200 countries and regions. In addition, foreign currency asset management products, which today include 136 foreign mutual funds and 11 foreign currency deposits, will continue to be provided by SMBC Trust. Preferential services offered depending on the transaction volume and account balances, including account maintenance fees, ATM fees and money transfer and remittance fees, will continue to be provided as they are now.

Moreover, regarding Citigold and Citigold Premium customers, SMBC Trust will continue to provide asset management consultation service by designated bankers as well as preferential fee services, etc.

(b) Expansion of global services through cooperation with Citi

In accordance with the acquisition, SMBC Trust and Citi signed a comprehensive agreement on the continued offering of global products and services. This agreement will enable SMBC Trust to continue offering services utilizing Citi's overseas network, including overseas Citigold lounges for Citigold customers. Also, upon completion of the acquisition, usage fees at Citi ATMs overseas will become free of charge.

SMBC Trust and Citi will continue to cooperate to provide customers with products and services meeting their global needs, going forward.

(c) Enhancement of collaboration among the SMFG group companies

SMBC Trust will offer more value added products and services by enhancing collaboration with SMBC and its group companies.

For example, SMBC Trust strives to expand its asset management product lineup for customers to choose from wider options, leveraging SMBC Trust's expertise in the private banking business, while working closely with SMBC Nikko Securities Inc.

Moreover, SMBC plans to start offering preferential fees for foreign currency and yen fund transfers from SMBC account to SMBC Trust (current Citibank Japan) account. SMBC also plans to introduce preferential ATM fees for SMBC ATMs to SMBC Trust (current Citibank Japan) customers.

(3) Initiatives for achieving the goals

In order to achieve the goals described above, SMBC will support SMBC Trust's business operations by proactively investing its management resources. For example, SMBC will provide SMBC Trust with resources and know-how including SMBC's established system of international cash card service, to develop SMBC Trust's infrastructure.

3. Objectives of the acquisition

The acquisition will also be strategically significant from the following three aspects, in addition to aforementioned visions of strengthening SMBC Trust.

(1) Expansion of customer base

Many of Citibank Japan's retail banking customers are interested in using global services, as they tend to be from the younger age group, have strong needs of foreign currency investments

and prefer transactions via telephone and internet. The addition of such customers will contribute to the expansion of the SMFG group's overall customer base.

(2) Enhancement of foreign currency funding source

Subsequent to the acquisition, the SMFG group will have foreign currency individual deposits of 1.6 trillion yen domestically in total, with the addition of newly-added foreign currency deposits of Citibank Japan's retail banking, amounting approximately 1 trillion yen. The group will strive for further development of overseas businesses, by leveraging the foreign currency deposits as funding sources for foreign currency loans overseas.

(3) Improvement of servicing capacity

The SMFG group will improve its servicing capacity by sharing Citibank Japan's know-how, including foreign currency investment management, product development, marketing and human resources development among the group.

4. Timeline

December 25, 2014:	Contract signed
October, 2015 (planned):	The transaction is expected to be complete, subject to necessary regulatory approvals