

Overview of 3Q FY3/2022

February 2, 2022



SUMITOMO MITSUI
FINANCIAL GROUP

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

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

Exchange rates (TTM)

	Sep. 20	Mar. 21	Dec. 21
USD	105.78	110.71	115.01
EUR	124.18	129.75	130.51

Definitions

SMFG	Sumitomo Mitsui Financial Group, Inc.
SMBC	Sumitomo Mitsui Banking Corporation
SMBC Trust	SMBC Trust Bank
SMFL	Sumitomo Mitsui Finance and Leasing
SMBC Nikko	SMBC Nikko Securities
SMCC	Sumitomo Mitsui Card Company
SMBCCF	SMBC Consumer Finance
SMDAM	Sumitomo Mitsui DS Asset Management
SMBCAC	SMBC Aviation Capital
Major local subsidiaries	SMBC Bank International, SMBC Bank EU, SMBC (China)
Consolidated	SMFG consolidated
Non-consolidated	SMBC non-consolidated
Expenses (non-consolidated)	Excluding non-recurring losses
Net business profit	Before provision for general reserve for possible loan losses
Retail Business Unit (RT)	Domestic retail business
Wholesale Business Unit (WS)	Domestic wholesale business
Global Business Unit (GB)	International business
Global Markets Business Unit (GM)	Market / Treasury related businesses
OCI	Net unrealized gains on other securities

Income statement

Progress rate of 1-3Q: Consolidated net business profit 81%, Profit attributable to owners of parent 93%

	(JPY bn)	1-3Q FY3/22	YoY	FY3/22 target	
1	Consolidated gross profit	2,182.1	+111.7		
2	G&A expenses	1,330.5	+51.1		
	Overhead ratio	61.0%	(0.8)%		
3	Equity in gains (losses) of affiliates	54.1	+34.5		
	Progress				
4	Consolidated net business profit	81%	905.6	+95.0	1,120
5	Total credit cost	157.7	(77.1)	200	
6	Gains (losses) on stocks	134.7	+62.0		
7	Other income (expenses)	(15.3)	+38.4		
8	Ordinary profit	867.4	+272.5	980	
9	Extraordinary gains (losses)	(5.2)	+2.6		
10	Income taxes	232.4	+80.7		
11	Profit attributable to owners of parent	93%	624.8	+190.9	670
12	ROE	8.6%	+2.5%		

Consolidated gross profit: increased YoY in RT, WS and GB due to revitalization of domestic and overseas corporate activities.

G&A expenses: increased YoY mainly due to business recovery from COVID-19, as well as higher marketing cost of SMCC, which is successfully increasing new customers.

Equity in gains of affiliates: increased YoY mainly due to business recovery in SMFL (incl. SMBCAC) and affiliates in Asia.

Total credit cost: decreased YoY mainly because of reversals from reserves recorded in FY3/21, while increased from 1H since reserves were newly recorded for large borrowers.

Gains on stocks: increased YoY due to gains on sales of stocks related to the reorganization of Kansai Mirai FG and higher gains on sales of strategic shareholdings: JPY 75 bn (YoY +JPY 19 bn).

Other income: increased YoY due to the absence of the loss from forward dealings recorded in FY3/21, whose aim was to mitigate risk of stock prices.

(Ref.) Group companies

SMBC

	(JPY bn)	1-3Q FY3/22	YoY	FY3/22 target
1 Gross banking profit		1,131.2	+55.8	
2 o/w Net interest income		743.0	+99.3	
3 o/w Gains (losses) on cancellation of investment trusts		38.7	+17.4	
4 Domestic		426.9	+28.6	
5 Overseas		316.1	+70.7	
6 o/w Net fees and commissions		275.6	+47.4	
7 Domestic		135.7	+17.2	
8 Overseas		139.9	+30.2	
9 o/w Net trading income+ Net other operating income		111.1	(91.0)	
10 o/w Gains (losses) on bonds		17.8	(89.6)	
11 Expenses		629.8	+24.3	
12 Banking profit		501.4	+31.5	675
13 Total credit cost		87.7	(52.5)	80
14 Gains (losses) on stocks		82.6	+35.2	
15 Extraordinary gains (losses)		14.2	+66.1	
16 Net income		344.5	+116.9	460

*1 Including profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG)

*2 Managerial accounting basis

Other major group companies

(left : results of 1-3Q FY3/22 / right : YoY)

(JPY bn)	SMBC Nikko ^{*1}		SMCC		SMBCCF	
Gross profit	310.4	(9.0)	304.4	+13.3	192.3	(4.1)
Expenses	238.9	+8.2	250.4	+18.8	86.9	+7.0
Net business profit	71.5	(17.2)	53.9	(6.0)	105.4	(11.2)
Net income	51.3	(20.1)	24.6	(6.8)	53.8	(16.0)

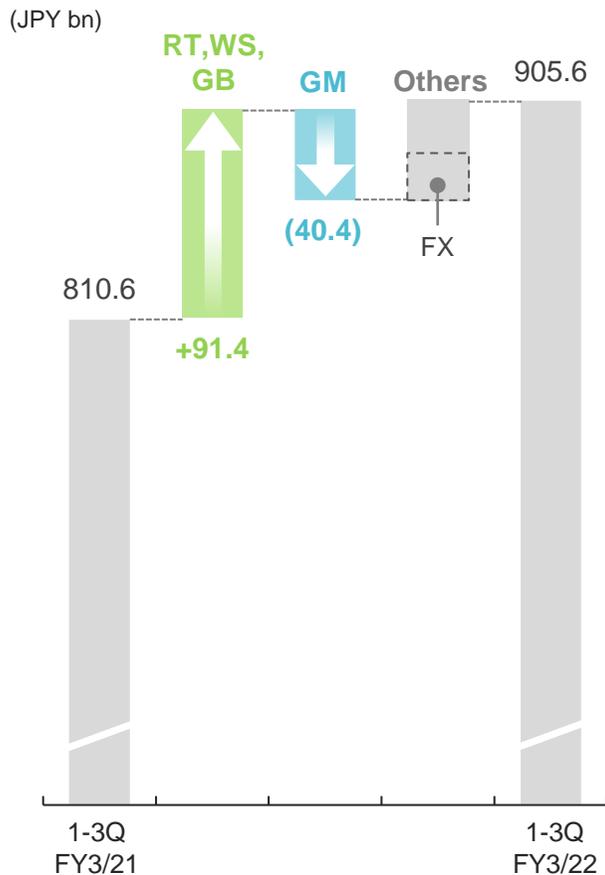
(Equity method affiliate)

	SMBC Trust		SMDAM		SMFL ^{*2}	
					50%	50%
Gross profit	34.4	+6.1	28.7	+4.2	162.1	+36.7
Expenses	33.5	+0.3	22.3	(1.7)	74.7	+13.3
Net business profit	0.9	+5.8	6.4	+5.9	93.2	+26.2
Net income	(0.1)	+7.2	3.9	+4.4	56.9	+33.2

Business overview

WS and GB mainly increased YoY due to revitalization of domestic and overseas corporate activities. Credit card business, aircraft leasing business, and affiliates in Asia have been recovering steadily.

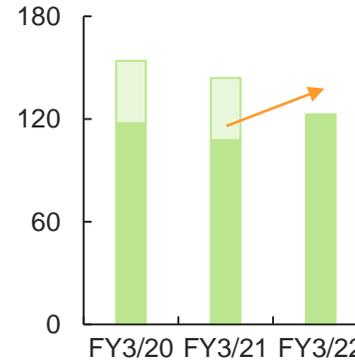
Consolidated net business profit



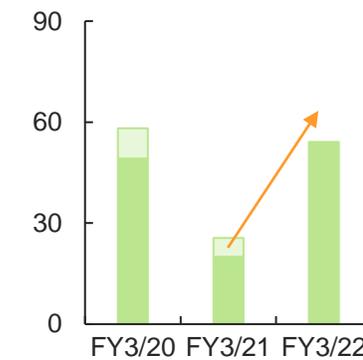
Business line breakdown

■ 1-3Q

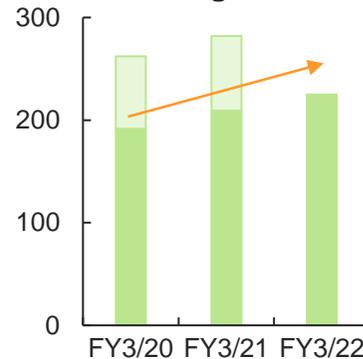
(JPY bn) Credit card commissions



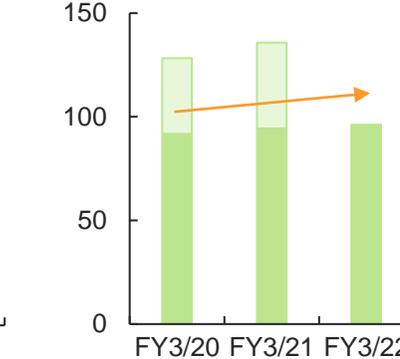
(JPY bn) Equity in gains of affiliates



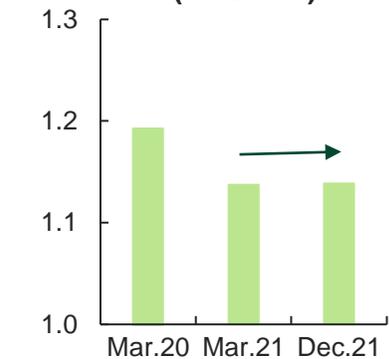
(JPY bn) Wealth management



(JPY bn) Wholesale non-interest income*1



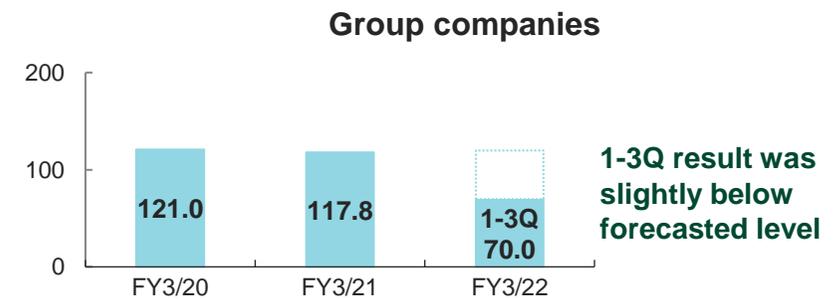
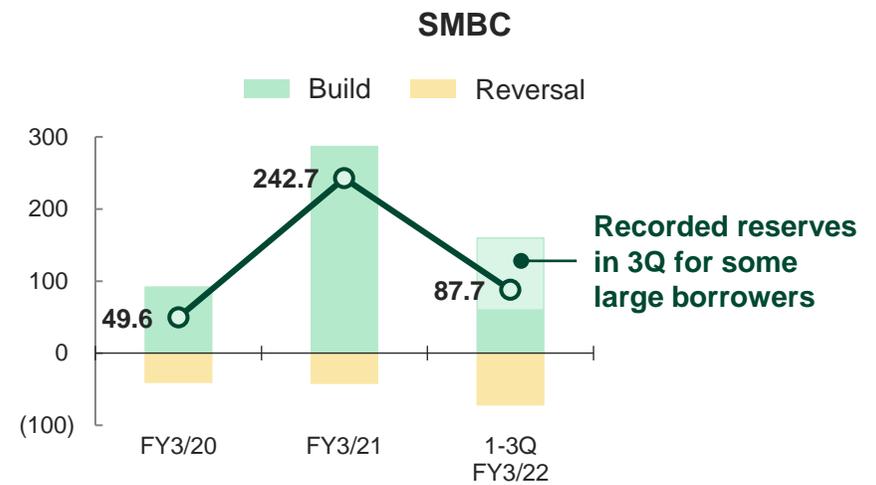
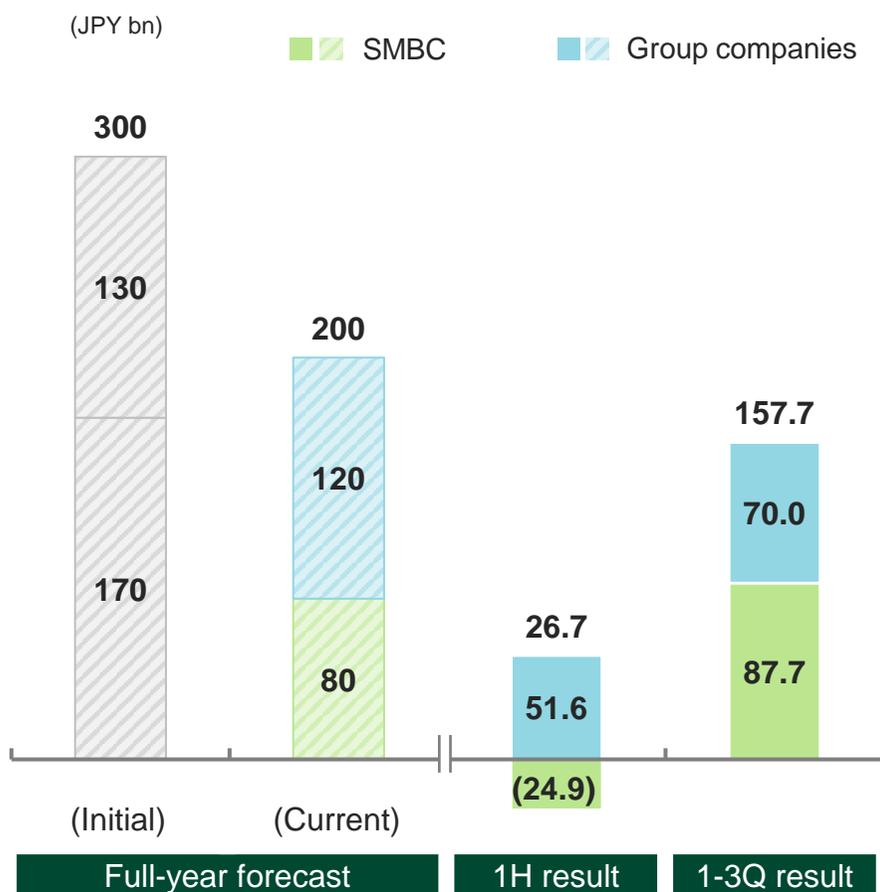
(JPY tn) Card loan balance (SMBCCF)



*1 Syndicated loans, structured finance, real estate finance and securities business

Credit cost

Increased from 1H since reserves were newly recorded in 3Q for some large borrowers of SMBC.
 Full-year forecast of JPY 200 bn remains unchanged since a certain amount of reversal is expected.

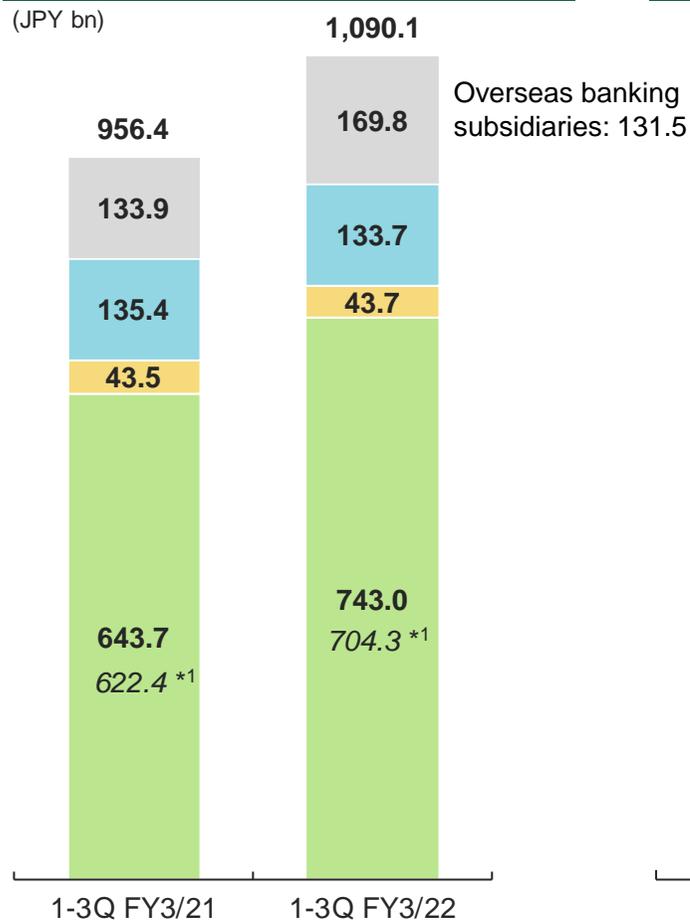


Consolidated gross profit

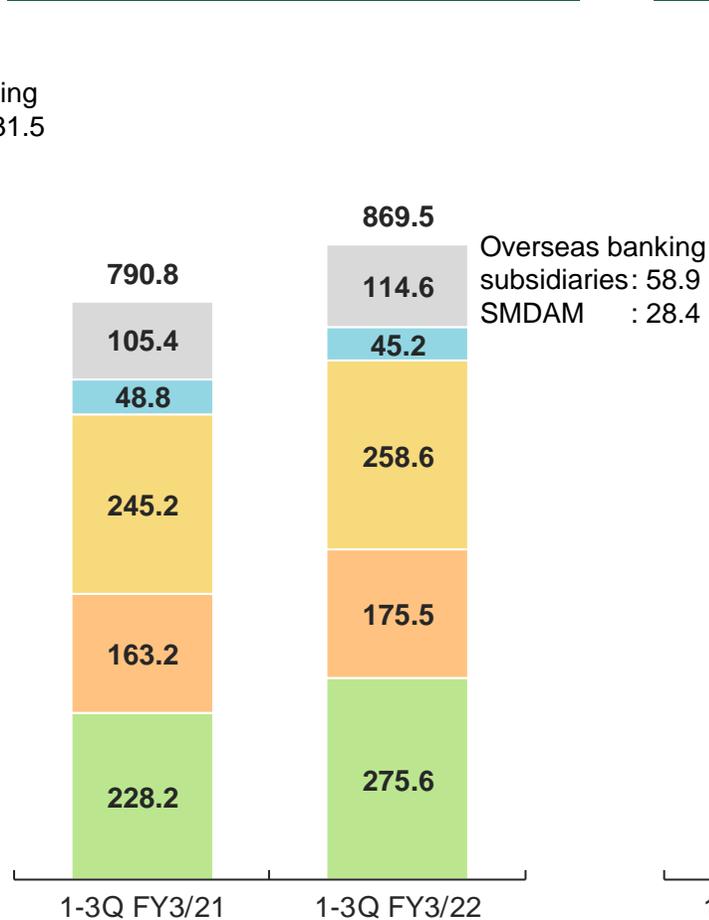
■ SMBC ■ SMBC Nikko ■ SMCC ■ SMBCCF ■ Others

Net interest income

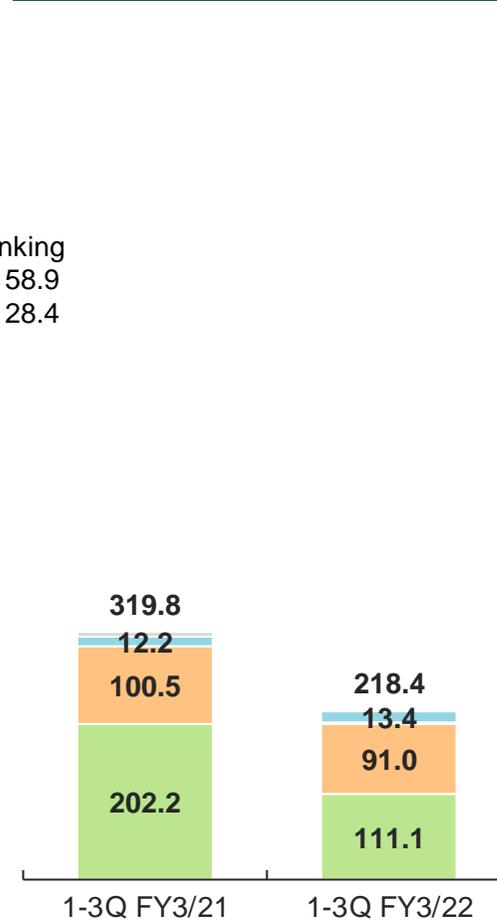
(JPY bn)



Net fees and commissions



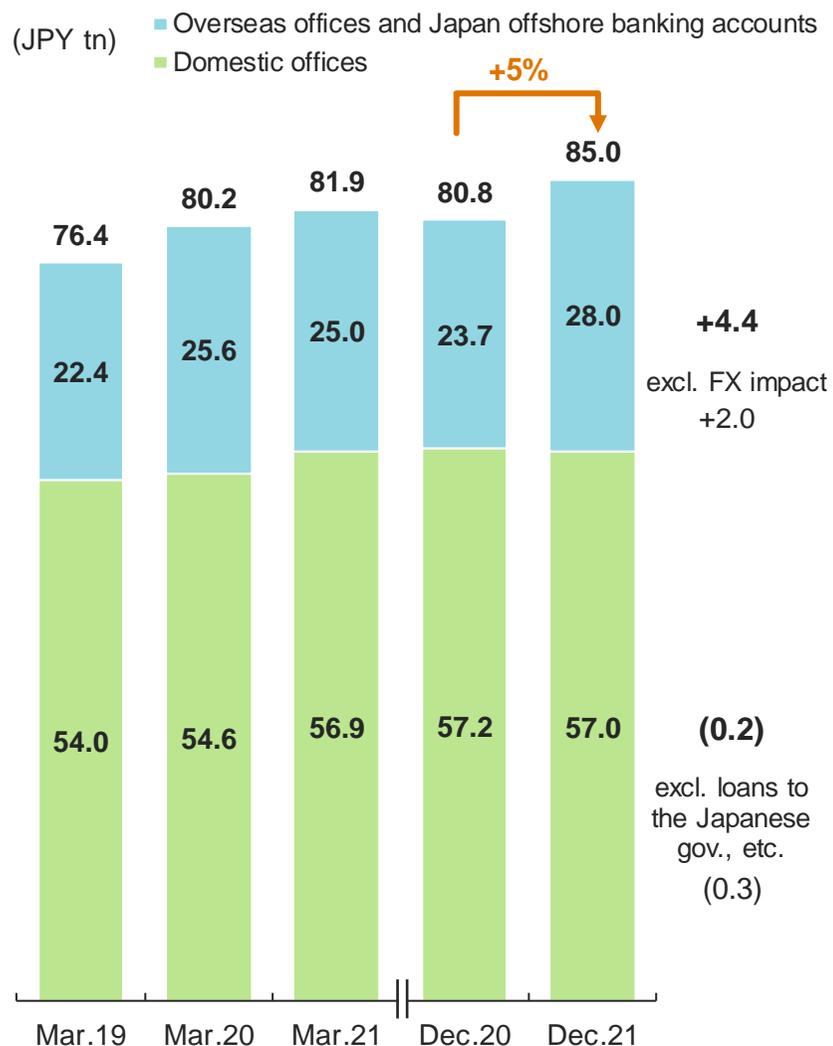
Net trading income + Net other operating income



*1 Excluding gains on cancellation of investment trusts

Loans*1

Loan balance



Domestic loan-to-deposit spread

	1-3Q FY3/22	YoY	1Q	2Q	3Q
(%) Interest earned on loans and bills discounted	0.84	+0.01	0.85	0.85	0.83
Interest paid on deposits, etc.	0.00	+0.00	0.00	0.00	0.00
Loan-to-deposit spread	0.84	+0.01	0.85	0.85	0.83
(Ref.) Excludes loans to the Japanese government, etc.					
Interest earned on loans and bills discounted	0.86	+0.00	0.86	0.86	0.85
Loan-to-deposit spread	0.86	+0.00	0.86	0.86	0.85

Average loan balance and spread*2

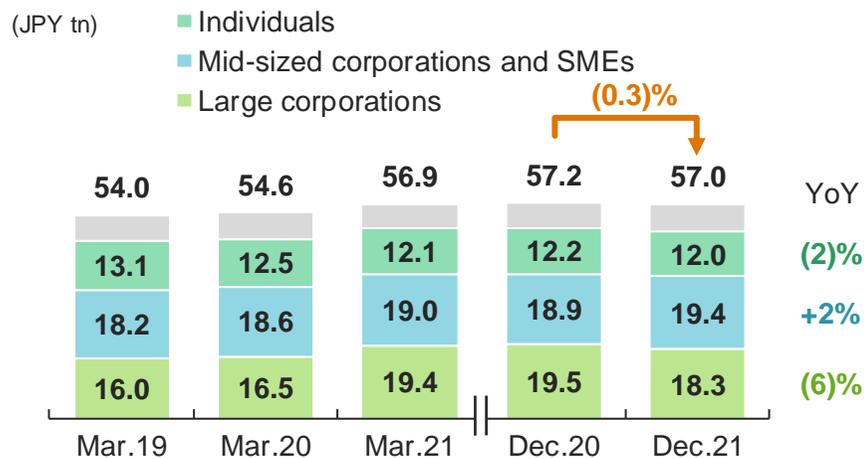
	Balance (JPY tn)		Spread (%)	
	1-3Q FY3/22	YoY ⁴	1-3Q FY3/22	YoY
Domestic loans	55.2	(1.2)	0.71	+0.01
Excluding loans to the Japanese government, etc.	52.9	(0.7)	0.74	+0.01
o/w Large corporations	18.7	(0.5)	0.54	+0.04
o/w Mid-sized corporations & SMEs	19.0	+0.2	0.61	+0.01
o/w Individuals	12.1	(0.3)	1.38	(0.05)
GBU's interest earning assets ³	336.3 USD bn	(4.4) USD bn	1.19	+0.02

*1 Non-consolidated *2 Managerial accounting basis

*3 Sum of SMBC, major local subsidiaries and SMBC Trust, etc. Sum of loans, trade bills, and securities *4 After adjustments for exchange rates, etc.

Domestic loans and deposits*1

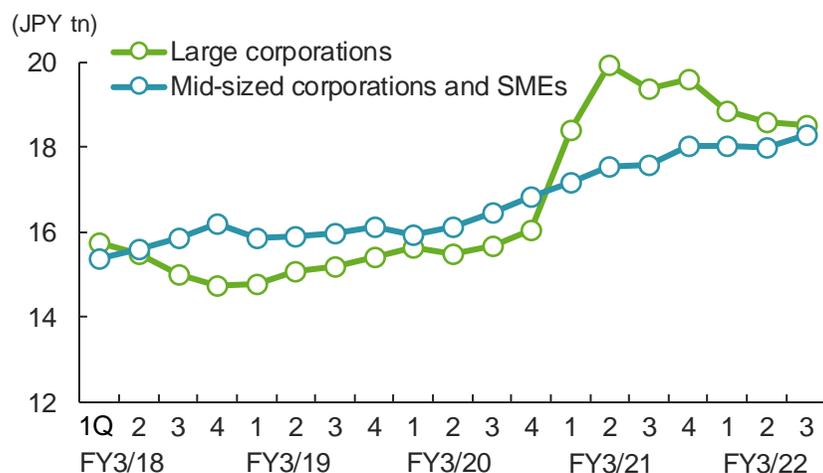
Loan balance*2



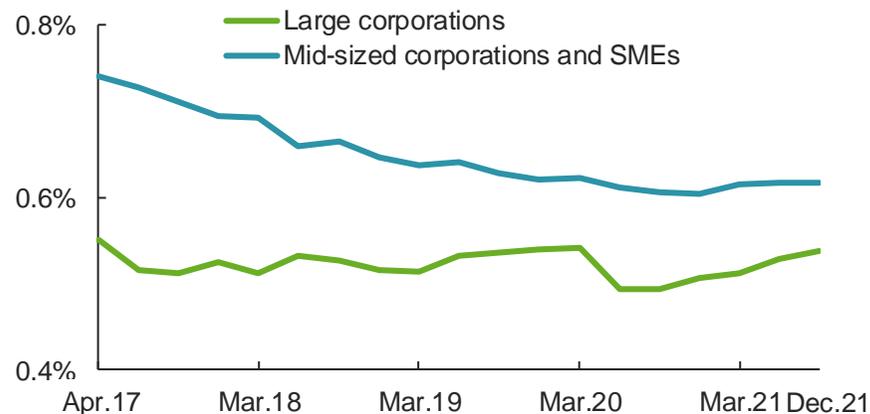
Deposit balance



Loan average balance for corporates*2,3



Loan spread for corporates*2,4



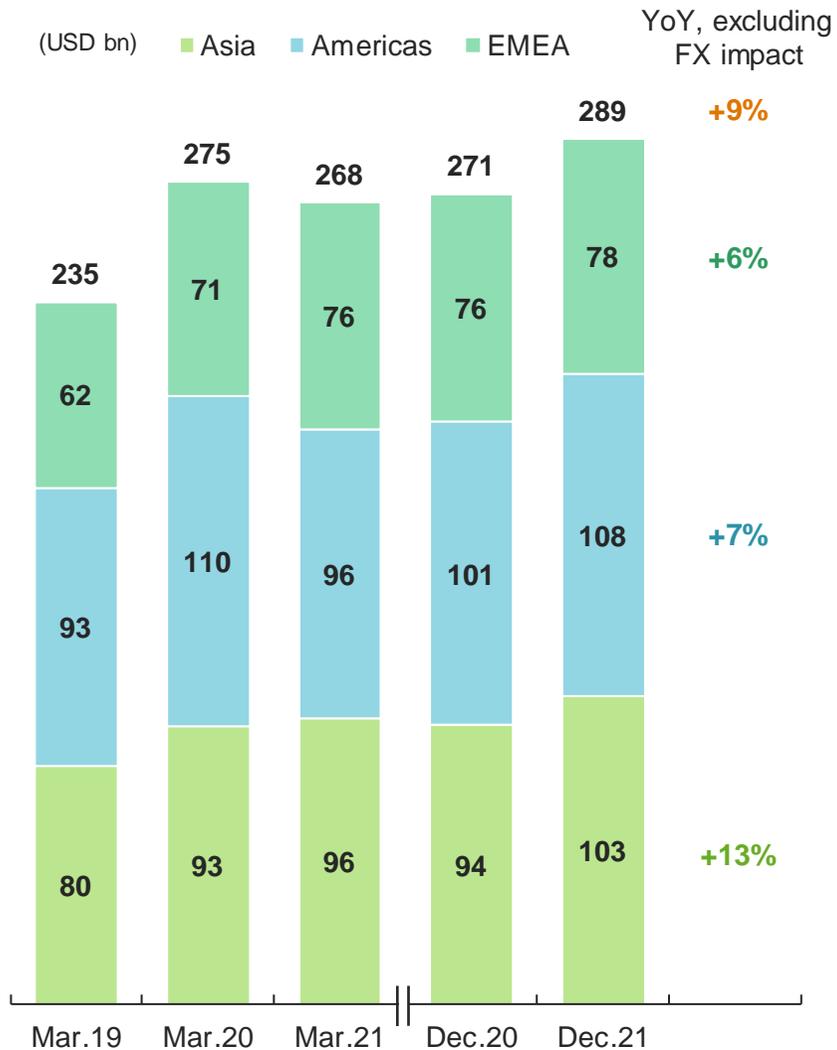
*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average, excluding loans to the Japanese government.

Figures for SMEs are the outstanding balance of Corporate banking division

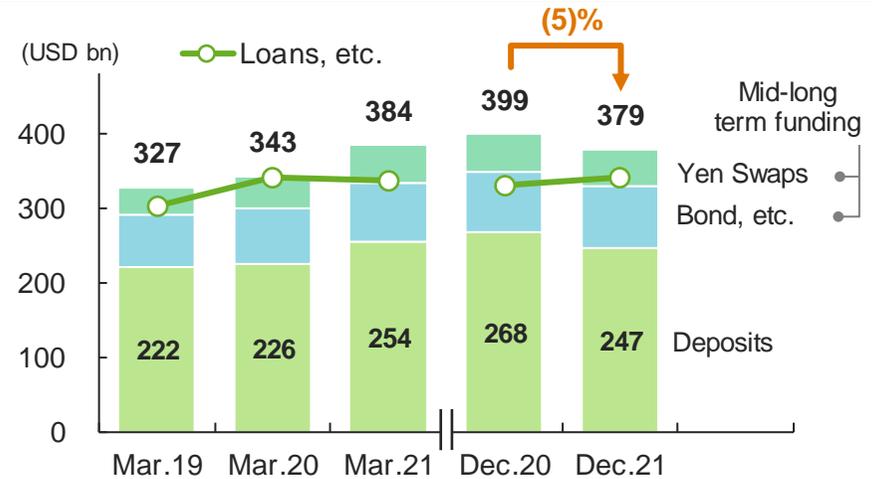
*4 Loan spread of existing loans, excluding loans to the Japanese government

Overseas loans and deposits*1

Loan balance



Foreign currency balance



Loan spread*2

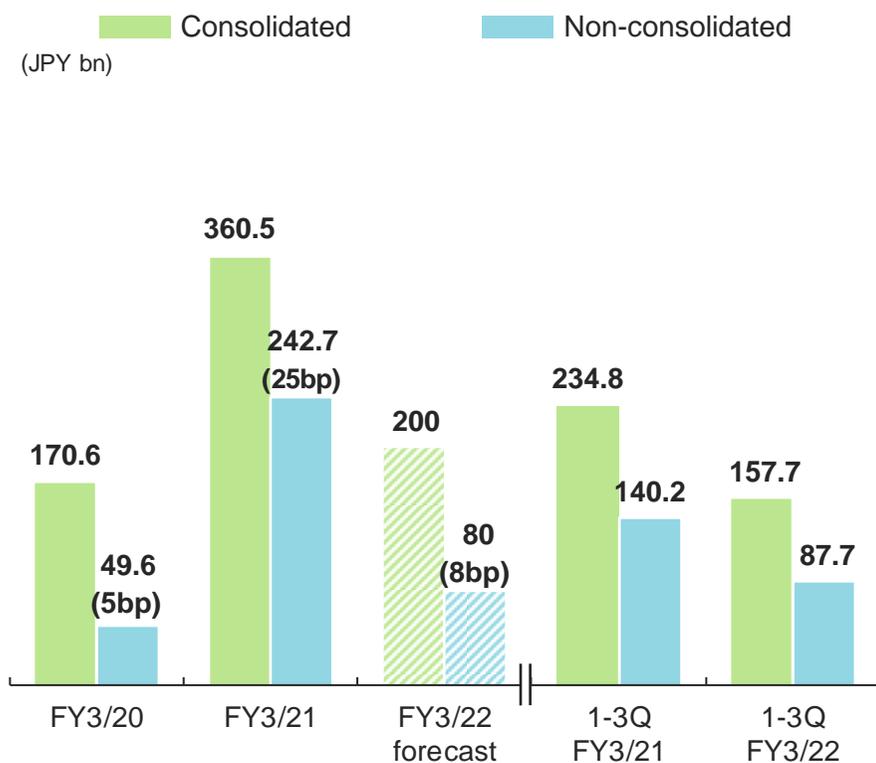


*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

*2 Monthly average loan spread of existing loans

Asset quality

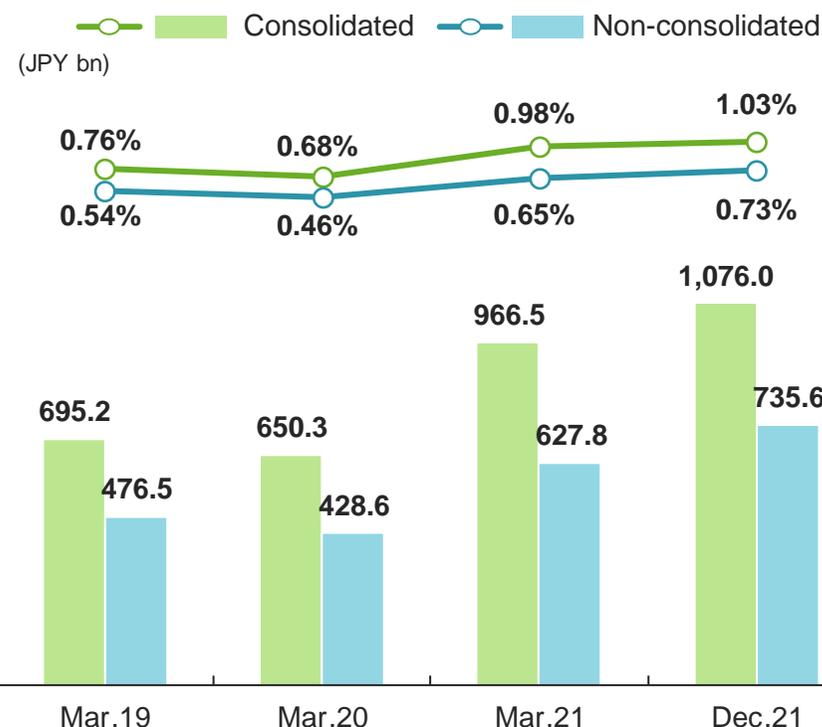
Credit costs*1



Major group companies

(JPY bn)	1-3Q FY3/22	YoY
SMBCCF	40	+5
SMCC	17	+0
Overseas banking subsidiaries	15	(23)

Non-performing loan balance*2



Total claims

	(JPY tn)		
Consolidated	96	99	104
Non-consolidated	93	96	101

Claims on borrowers requiring caution (excluding claims to substandard borrowers)

Non-consolidated	0.9	1.9	1.9
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*1 Total credit cost ratio = Total credit cost / Total claims

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

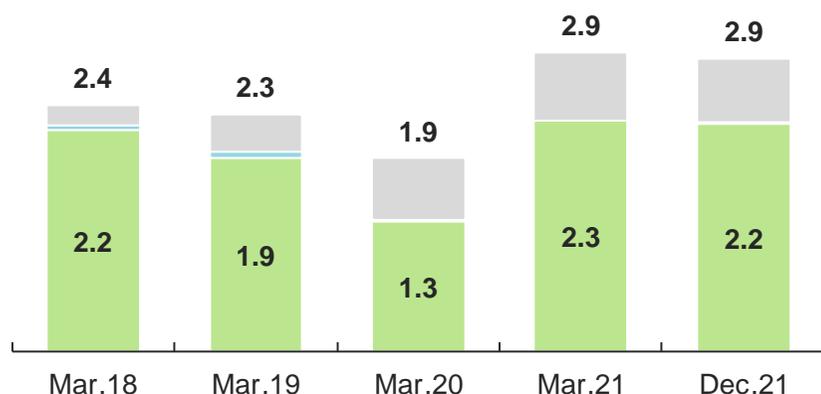
Securities (1)

Breakdown of other securities (consolidated)

	B/S amount		Unrealized gains (losses)	
	(JPY bn) Dec.21	vs Mar.21	Dec.21	vs Mar.21
Total	36,079.7	(331.5)	2,873.6	(58.2)
Stocks (domestic)	3,625.4	(67.9)	2,233.7	(21.9)
Bonds (domestic)	17,340.4	(314.8)	5.4	(2.7)
o/w JGBs	13,627.0	(666.6)	(13.0)	+1.1
Others	15,113.9	+51.2	634.5	(33.7)
o/w Foreign bonds	12,054.9	(55.2)	(75.7)	(77.0)

Unrealized gains

(JPY tn) ■ Stocks (domestic) ■ Bonds (domestic) ■ Others

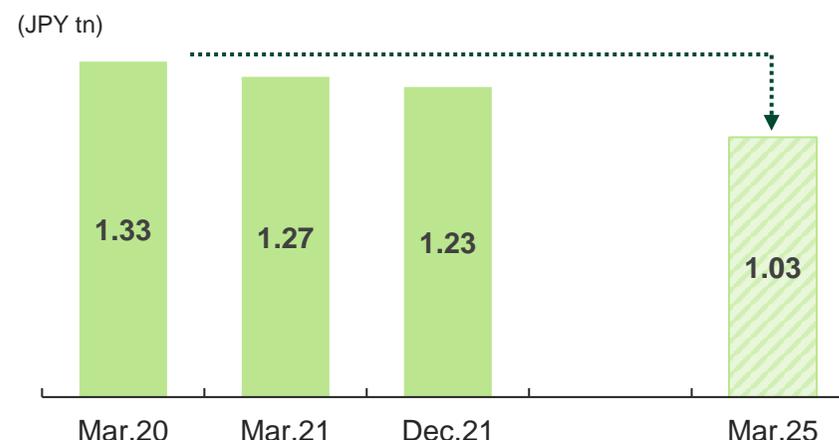


Strategic shareholdings

Progress as of Dec.21	FY3/21	JPY 55 bn
	1-3Q FY3/22	JPY 37 bn
	Total Reduction	JPY 92 bn
	Consent of sales from clients outstanding	JPY 70 bn
	Reduction + Consent	JPY 161 bn

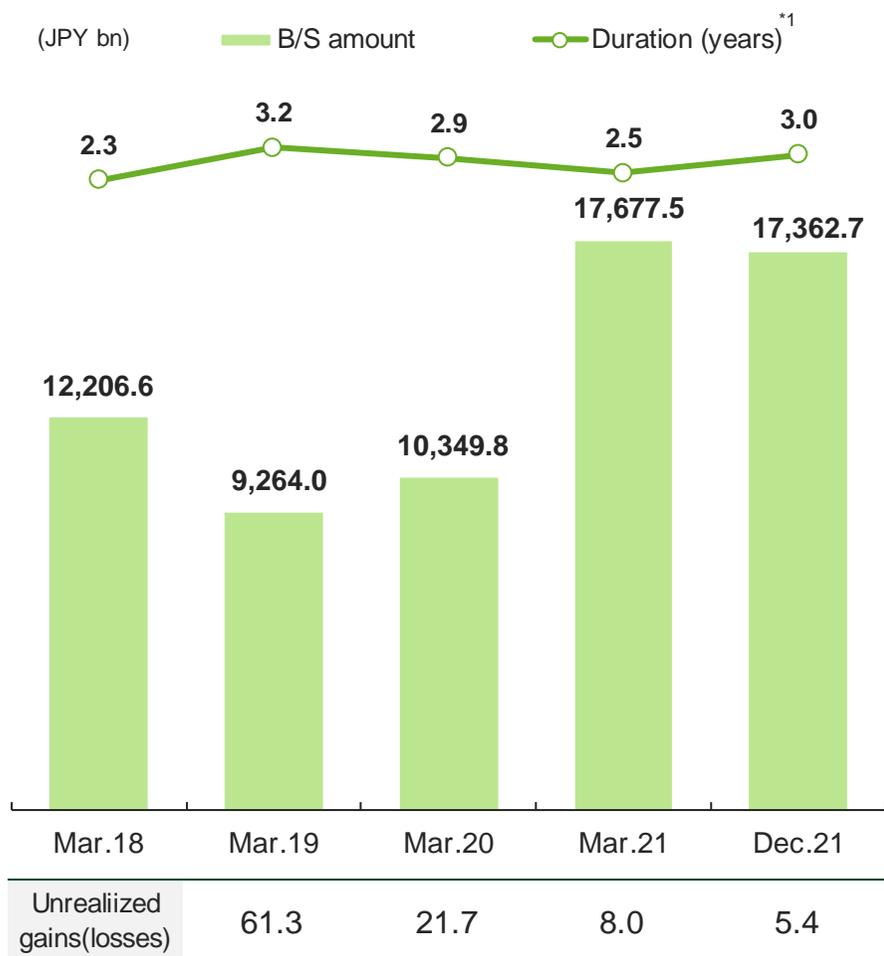
Reduction plan

Reduce JPY 300 bn in 5 years (FY3/21-FY3/25)

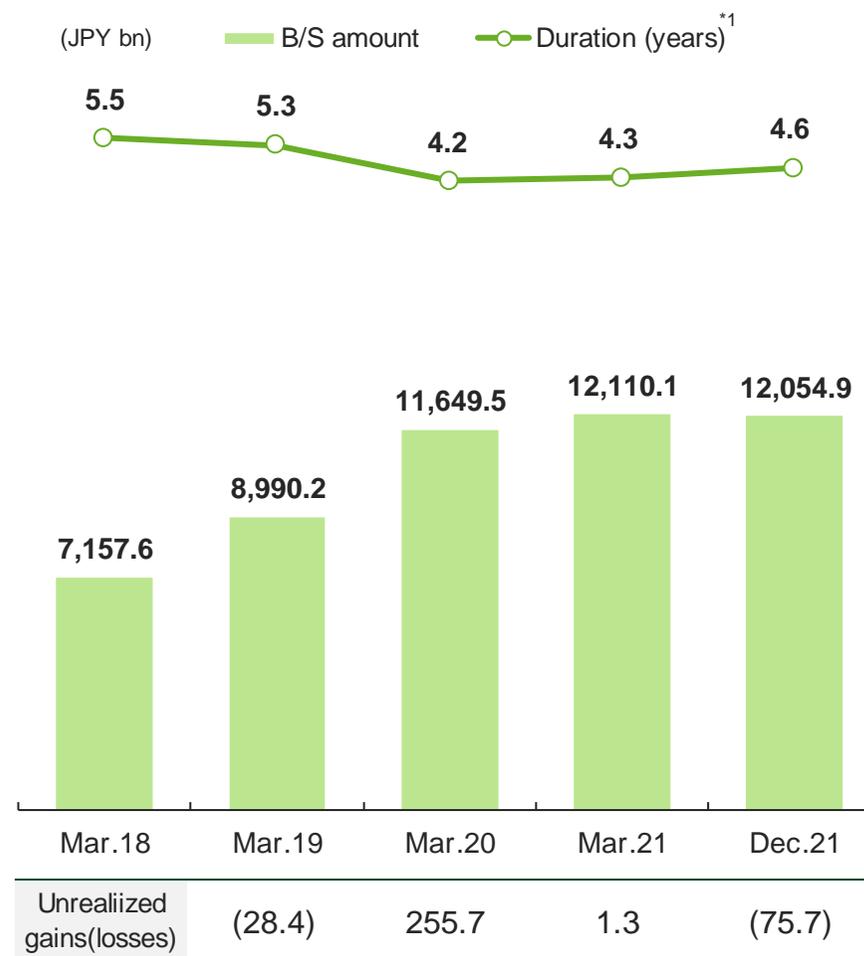


Securities (2)

Yen-denominated bonds (consolidated)



Foreign bonds (consolidated)



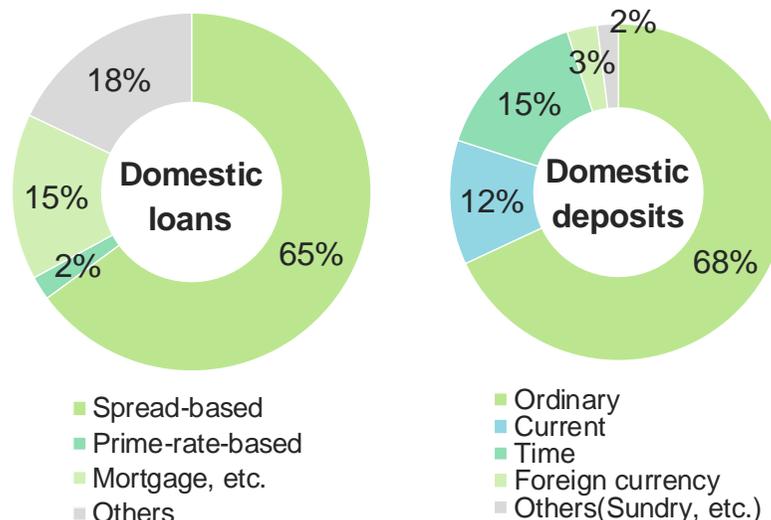
*1 Non-consolidated. Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero.

Balance sheet

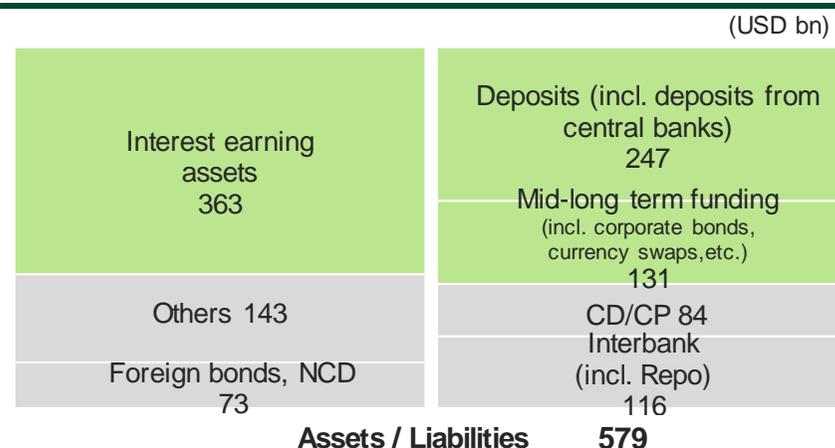
Consolidated

	(JPY tn)	Dec.21	vs Mar.21
Total assets		250.6	+8.1
o/w Cash and due from banks		73.2	+0.6
o/w BOJ's current account balance ^{*1}		57.4	(2.4)
o/w Loans		88.0	+2.9
o/w Domestic loans ^{*1}		57.0	+0.1
o/w Large corporations ^{*2}		18.3	(1.1)
o/w Mid-sized corporations & SMEs ^{*2}		19.4	+0.3
o/w Individuals ^{*2}		12.0	(0.2)
o/w Securities		36.5	(0.1)
o/w Other securities		36.1	(0.3)
o/w Stocks		3.6	(0.1)
o/w JGBs		13.6	(0.7)
o/w Foreign bonds		12.1	(0.1)
Total liabilities		238.3	+7.6
o/w Deposits		146.4	+4.4
o/w Domestic deposits ^{*1}		116.3	+3.7
o/w Individuals		56.2	+2.8
o/w Corporates		60.1	+0.8
o/w NCD		12.7	+0.2
Total net assets		12.3	+0.4
Loan to deposit ratio		55.3%	

Composition of loans and deposits^{*1,2}



Non-JPY B/S^{*2,4}



*1 Non-consolidated *2 Managerial accounting basis *3 After adding back the portion of housing loans securitized in 1-3Q FY3/22 of JPY 53.3 bn *4 Sum of SMBC and major local subsidiaries

Results by business unit

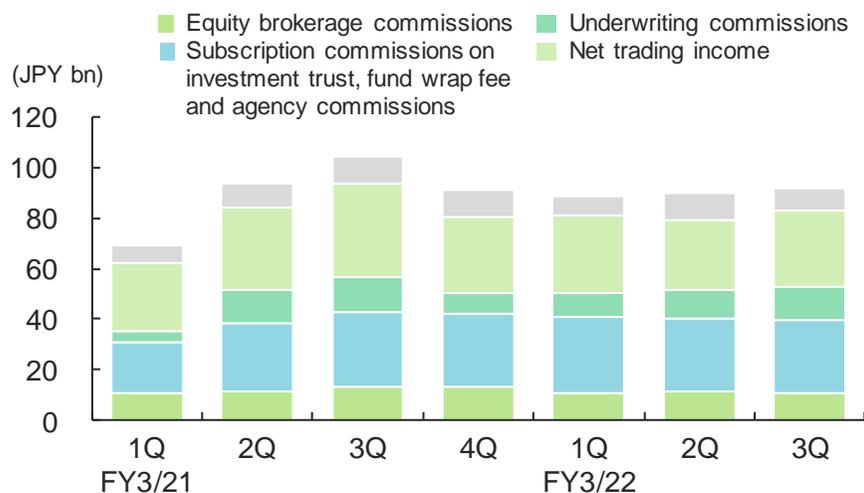
		(JPY bn)	FY3/21	1-3Q FY3/22	YoY*1
Retail	Gross profit		1,127.4	860.8	+20.8
	Expenses		910.4	700.4	+26.4
	<i>Overhead Ratio</i>		80.8%	81.4%	+1.1%
	Net business profit		219.2	162.3	(5.7)
Wholesale	Gross profit		634.9	511.6	+49.7
	Expenses		299.9	225.3	+4.4
	<i>Overhead Ratio</i>		47.2%	44.0%	(3.8)%
	Net business profit		388.5	333.2	+54.6
Global	Gross profit		723.7	619.1	+53.7
	Expenses		383.3	329.9	+32.0
	<i>Overhead Ratio</i>		53.0%	53.3%	+0.6%
	Net business profit		366.7	333.1	+42.5
Global Markets	Gross profit		460.7	346.1	(40.2)
	Expenses		82.9	67.2	+3.7
	<i>Overhead Ratio</i>		18.0%	19.4%	+3.0%
	Net business profit		413.5	308.0	(40.4)

*1 After adjustments of the changes of interest rates and exchange rates

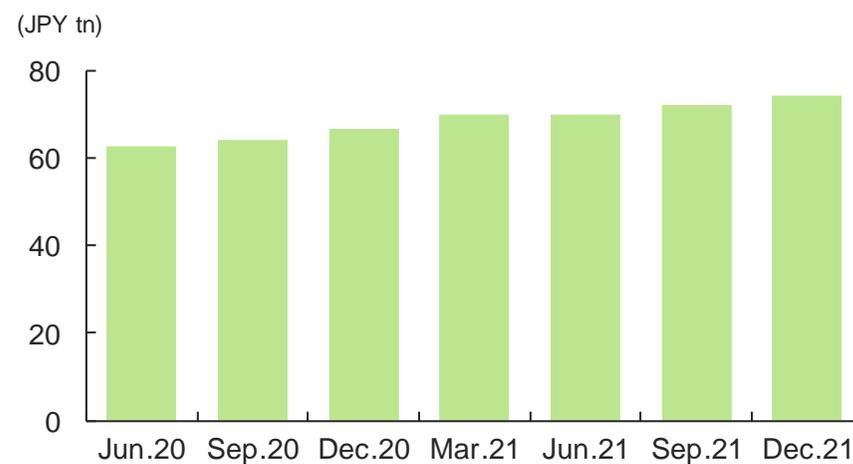
Financial results

(JPY bn)	FY3/21	1-3Q FY3/22	YoY
Net operating revenue	357.9	270.1	+2.9
SG&A expenses	273.4	208.9	+6.4
Ordinary income	90.7	66.0	(2.7)
Net income	71.7	47.8	(7.7)

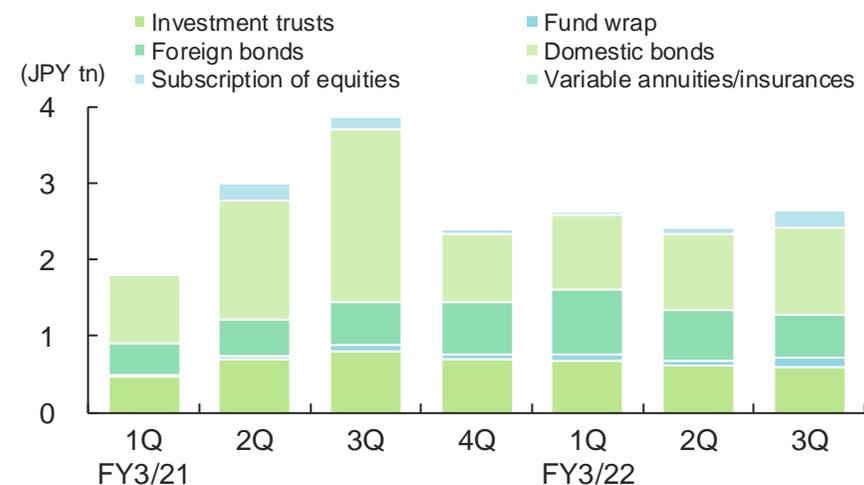
Net operating revenue



Client assets



Product sales

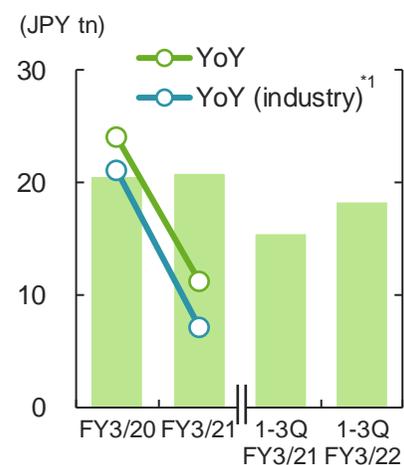


Financial results

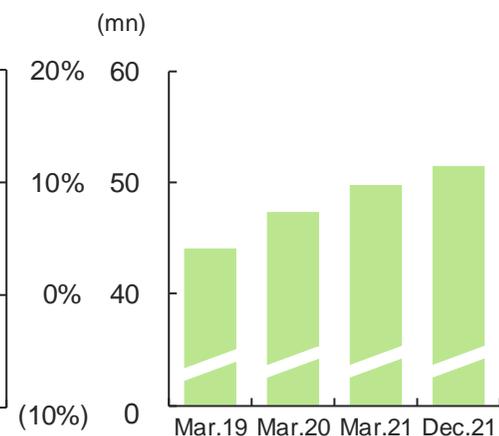
(JPY bn)	FY3/21	1H FY3/22	YoY
Operating revenue	447.5	351.2	+15.8
o/w Commission fee	143.7	122.8	+14.9
Finance	101.5	73.7	(3.4)
Sales on credit	32.3	22.5	(2.2)
Receipt agency	48.1	37.5	+1.7
Operating expense	413.0	316.1	+23.4
o/w Expenses for loan losses	22.7	17.8	(0.0)
Expense for interest repayments	14.4	-	-
Ordinary profit (loss)	35.3	38.3	(5.0)
Net income	35.8	24.5	(6.9)
Finance outstanding	667.5	670.6	

Key figures

Sales handled

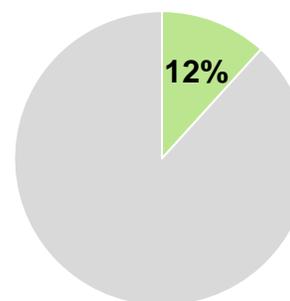


of card holders

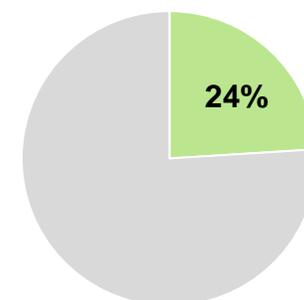


Market share*2

Issuing



Acquiring



*1 The Japan Consumer Credit Association "Credit card behavior investigation" Shopping credit amount

*2 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2020 : JPY 62 tn)

Financial results

(JPY bn)	FY3/21	1-3Q FY3/22	YoY
Operating income	273.5	203.2	(3.6)
o/w Interest revenues	178.8	133.5	(1.8)
Loan guarantee revenues	61.1	42.9	(3.5)
Operating expenses	200.8	138.0	+12.5
o/w Expenses for loan losses	53.3	42.3	+5.1
Expense for loan guarantees	9.9	6.7	+0.6
Expenses for interest repayments	24.0	-	-
Ordinary profit	73.5	65.3	(16.8)
Net income	54.1	53.8	(16.0)
NPLs	85.2	95.2	
(NPL ratio)	7.49%	8.37%	
Allowance on interest repayments (provision)	100.8	81.0	
	3.4 yrs	3.0 yrs	

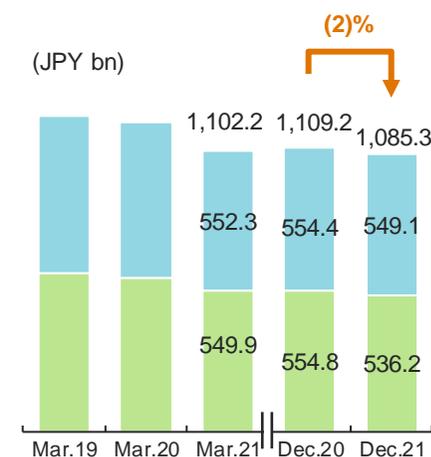
Consumer loans

■ Promise (overseas) ■ Mobit ■ Promise



Loan guarantee

■ SMBC ■ Others



No. of interest refund claims

