

Overview of 1H, FY3/2019 performance

November 14, 2018



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.

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
- SMAM : Sumitomo Mitsui Asset Management
- SMBC AC : SMBC Aviation Capital
- Consolidated : SMFG consolidated
- Non-consolidated : SMBC non-consolidated
- Net business profit : Before provision for general reserve for possible loan losses
- Expenses (non-consolidated) : Excludes non-recurring losses
- Retail Business Unit (RT) : Domestic retail and SME businesses
SMBC (RT), SMBC Nikko (RT), SMBC Trust (RT), SMCC, Cedyne, SMBCCF, others
- Wholesale Business Unit (WS) : Domestic large/mid-size corporation business
SMBC (WS), SMBC Nikko (WS), SMBC Trust (WS), SMFL (Domestic), others
- International Business Unit (Inter.) :
SMBC (Inter.), SMBC Nikko (Inter.), SMBC Trust (Inter.), SMFL (Inter.), others
- Global Markets Business Unit (GM) : Market / Treasury related businesses
SMBC (Treasury), SMBC Nikko (Product), others
- Large corporations : Global Corporate Banking Division
- Mid-sized corporations & SMEs : Corporate Banking Division and SMEs covered by Retail Banking Unit
- Exchange rates(TTM)

	Sep.17	Mar.18	Sep.18
USD	JPY112.74	JPY 106.25	JPY 113.58
EUR	JPY132.88	JPY 130.73	JPY 132.15

1H, FY3/2019 financial results

Income statement

	(JPY bn)	1H, FY3/19	YoY	vs May target
1 Consolidated				
gross profit	USD 12.9 bn	1,460.0	(5.8)	
2 G&A expenses		852.5	(42.1)	
Overhead ratio		58.4%	(2.6)%	
3 Equity in gains (losses) of affiliates		33.0	+2.8	
4 Consolidated net business profit	USD 5.6 bn	640.4	+39.1	+85.4
5 Total credit cost		5.0	(29.1)	(95.0)
6 Gains (losses) on stocks		51.9	+0.5	
7 Other income (expenses)		(7.1)	(4.0)	
8 Ordinary profit	USD 6.0 bn	680.2	+64.7	+200.2
9 Extraordinary gains (losses)		(5.0)	(1.5)	
10 Income taxes		161.5	+20.7	
11 Profit attributable to owners of parent	USD 4.2 bn	472.6	+52.5	+162.6
12 ROE		10.7%	+0.6%	
13 Non-consolidated				
Gross banking profit	USD 6.2 bn	704.4	(4.7)	
14 Expenses		402.5	(1.3)	
15 Banking profit	USD 2.7 bn	301.9	(3.4)	+36.9
16 Total credit cost		(56.3)	(30.8)	(91.3)
17 Gains (losses) on stocks		49.3	(0.7)	
18 Ordinary profit	USD 3.6 bn	408.3	+39.8	+148.3
19 Net income	USD 2.6 bn	300.9	+16.4	+120.9

Consolidated net business profit reached 55% and profit attributable to owners of parent reached 68% of the full-year target

YoY changes

Consolidated gross profit increased by JPY 48 bn driven by the steady performance of each business unit, excluding the impact of the deconsolidation of the Kansai regional banks.

G&A expenses decreased by JPY 42.1 bn mainly due to the deconsolidation of the regional banks. Despite excluding this impact, it remained nearly flat as a result of group-wide cost control initiatives.

Equity in gains of affiliates increased as a result of gains on share exchange from the deconsolidation of the regional banks (approx. JPY 13 bn), despite the loss of gains on sales of a subsidiary at The Bank of East Asia recorded in the previous year (approx. JPY (8) bn.)

Total credit cost decreased mainly due to the reversal of credit cost from large borrowers at SMBC.

Gains on stocks remained flat due to the gains on sales of strategic shareholdings (approx. JPY 44 bn.)

Contribution of subsidiaries to Profit attributable to owners of parent

	1H, FY3/19	YoY		1H, FY3/19	YoY
(JPY bn)					
SMCCF	29.4	+3.1	SMCC	6.6	+0.4
SMBC Nikko ^{*1}	25.9	(2.2)	SMAM	1.8	+0.6
SMFL	18.8	+1.4	SMBC Trust	(3.7)	+0.7
Cedyna	11.9	(0.6)			

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

Earnings target for FY3/2019

- Revised earnings target based on the first half results

	Results	Target		
		FY3/18	FY3/19	vs May target
	(JPY bn)			
Consolidated	Consolidated net business profit	1,203.8	1,180	+25
	Total credit cost	94.2	130	(70)
	Ordinary profit	1,164.1	1,120	+100
	Profit attributable to owners of parent	734.4	700	-
Non-consolidated	Banking profit	617.2	605	-
	Total credit cost	(26.7)	0	(70)
	Ordinary profit	755.3	640	+50
	Net income	577.0	460	+40

Per share information (JPY / share)

Profit attributable to owners of parent	520.67	501.58	-
Dividend	170	170	-

Changes from the May target

Consolidated net business profit

While the first half results exceeded the May target by JPY 85.4 bn, as we expect the market conditions in the second half to be uncertain, the target of consolidated net business profit was revised upward by only JPY 25 bn against the May target.

Total credit cost (consolidated)

Lowered the target by JPY 70 bn because credit cost at SMBC in the first half was lower than the May target.

Profit attributable to owners of parents

Remains the same because income tax is expected to increase, while the target of ordinary profit was revised upward by JPY 100 bn.

(Factors to increase income tax)

- Profit is higher than expected.
- Tax on unrealized gains on assets is expected to be imposed as a result of applying the consolidated tax system to SMCC, which will become a wholly owned subsidiary of SMFG.

Breakdown of gross profit, loans and deposits related figures

Consolidated gross profit by accounting item

	(JPY bn)	FY3/18	1H, FY3/19	YoY
1 Consolidated gross profit ^{*1}		2,981.1	1,460.0	(5.8)
2 Net interest income		1,390.2	684.4	(23.7) ^{*2}
3 o/w SMBC		957.0	485.8	+5.2
4 Domestic		707.3	332.2	(21.4)
5 Overseas		249.7	153.6	+26.6
6 SMBCCF		171.0	88.0	+3.0
7 Trust fees		3.9	2.2	+0.3
8 Net fees and commissions		1,066.6	506.6	+22.0 ^{*2}
9 o/w SMBC		329.9	157.0	+13.1
10 SMCC		211.0	106.0	+9.0
11 SMBC Nikko		198.0	101.0	+9.0
12 Cedyna		107.0	53.0	(0.0)
13 SMBCCF		70.0	37.0	+2.0
14 Net trading income + Net other operating income		520.3	266.8	(4.4)
15 o/w SMBC		139.0	60.6	(22.9)
16 SMFL		154.0	88.0	+7.0
17 SMBC Nikko		156.0	70.0	(17.0)

Domestic loan-to-deposit spread^{*3}

	(%)	1H, FY3/19	YoY	1Q	2Q
1 Interest earned on loans and bills discounted		0.95	(0.04)	0.95	0.95
2 Interest paid on deposits, etc.		0.00	(0.00)	0.00	0.00
3 Loan-to-deposit spread		0.95	(0.04)	0.95	0.95
(Ref.) Excludes loans to the Japanese government, etc.					
4 Interest earned on loans and bills discounted		0.98	(0.05)	0.99	0.98
5 Loan-to-deposit spread		0.98	(0.05)	0.99	0.98

Average loan balance and spread^{*4}

	Balance (JPY tn)		Spread (%)	
	1H, FY3/19	YoY ^{*6}	1H, FY3/19	YoY
1 Domestic loans ^{*3}	51.9	(1.1)	0.76	(0.02)
2 Excluding loans to the Japanese government, etc.	49.1	(0.7)	0.80	(0.03)
3 o/w Large corporations	14.9	(0.8)	0.52	+0.01
4 Mid-sized corporations & SMEs	17.6	+0.5	0.65	(0.05)
5 Individuals	13.5	(0.4)	1.44	(0.03)
6 IBU's interest earning assets ^{*5} (USD bn, %)	290.4	+19.4	1.12	(0.04)

*1 Numbers excluding SMBC are rounded

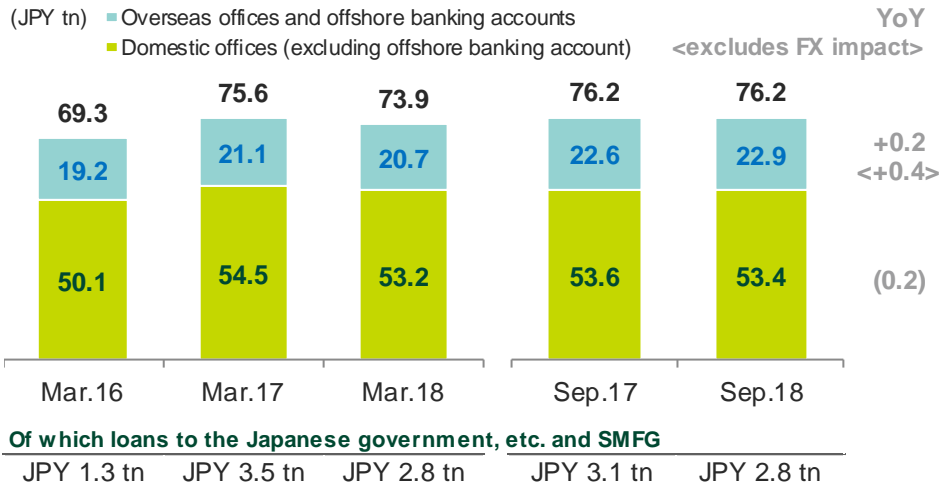
*2 Includes the impact from the deconsolidation of the Kansai regional banks; JPY (43.3) bn for net interest income and JPY (8.8) bn for net fees and commissions

*3 Non-consolidated *4 Managerial accounting basis *5 Sum of SMBC, SMBC Europe, SMBC (China), SMBC Trust, etc. Sum of loans, trade bills, and securities

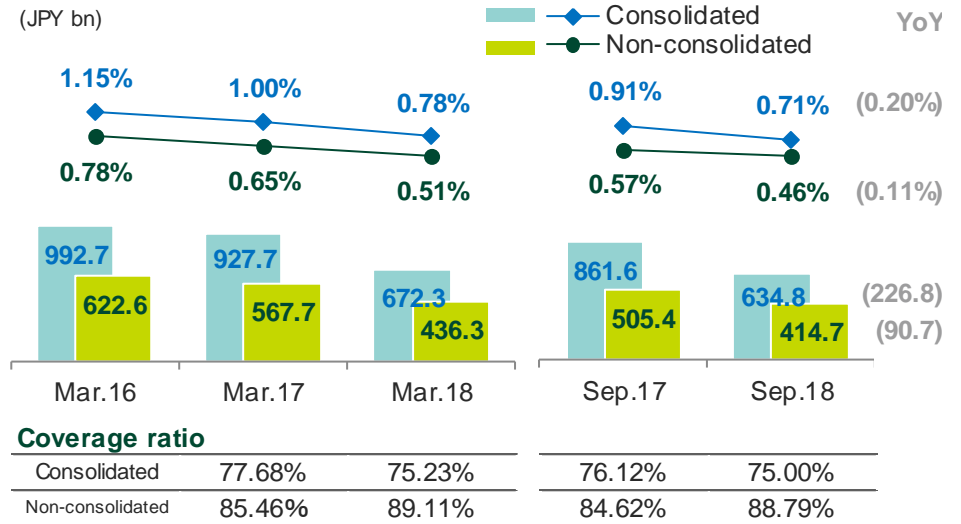
*6 After adjustments of the changes of exchange rates, etc.

Trends in key figures

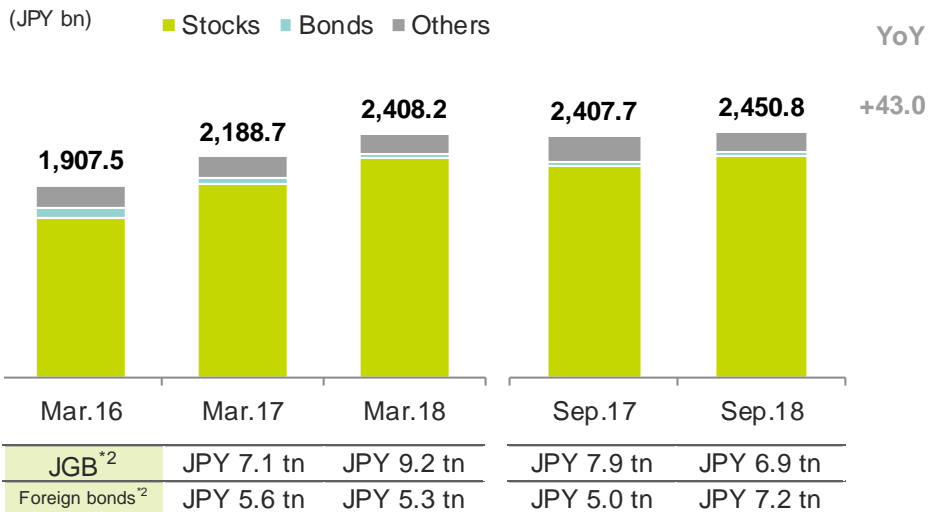
Loan balance (Non-consolidated)



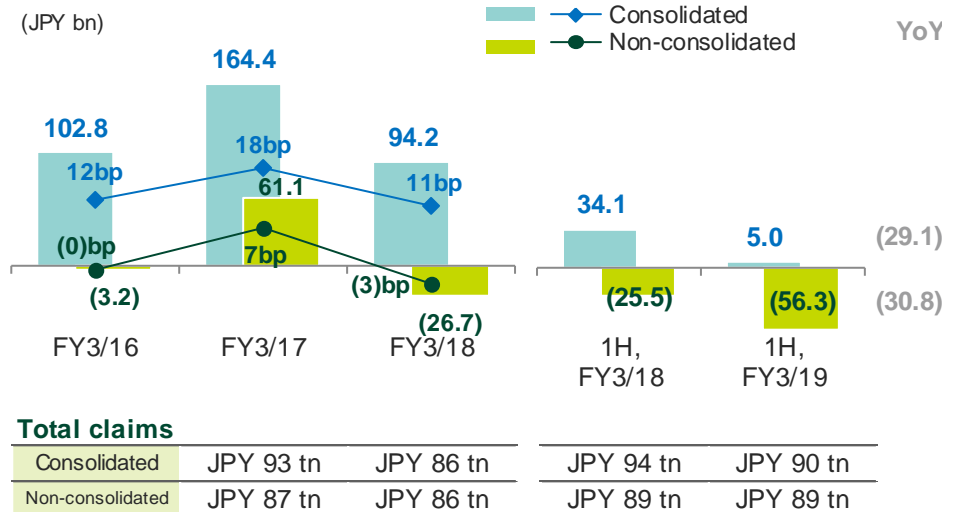
NPLs and NPL ratio^{*3}



Unrealized gains (losses) on other securities^{*1}



Total credit cost and Total credit cost ratio^{*4}



Capital ratio and progress on the financial targets of the Medium-Term Management Plan

Capital ratio

	Mar.18	Sep.18 <i>Preliminary</i>	vs Mar.18
Total capital ratio	19.36%	19.75%	+0.39%
Common Equity Tier 1 capital ratio	14.50%	14.92%	+0.42%
Risk-weighted assets (JPY bn)	63,540.3	63,630.2	+89.9

(Ref) Per share information

(JPY / share)	1H, FY3/18	1H, FY3/19	YoY
Profit attributable to owners of parent	297.94	337.70	+39.76
Dividend	80	85	+5

(JPY / share)	Mar.18	Sep.18	vs Mar.18
Net assets	7,366.21	7,638.73	+272.52

(Ref) Credit Ratings

	Moody's	S&P	Fitch	R&I	JCR
SMFG	A1/P-1	A- / -	A/F1	A+ / -	AA- / -
SMBC	A1/P-1	A/A-1	A/F1	AA-/a-1+	AA/J-1+

Progress

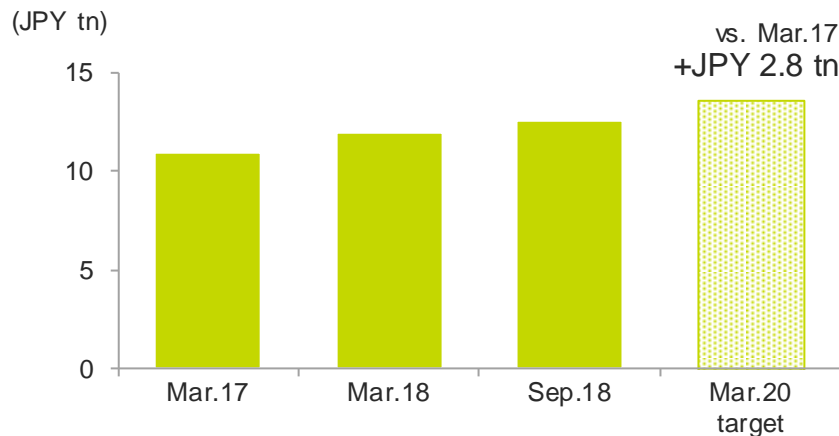
		Results 1H, FY3/19	Target FY3/20
Capital efficiency	ROE	10.7%	7-8%
Cost efficiency	OHR	58.4%	1% reduction from FY3/17 (62.1%)
Financial soundness	CET1 ratio^{*1}	9.8%	10%

(Ref) Reduction of strategic shareholdings (book value)

- Results for 1H, FY3/19 : JPY 53 bn
(Total reduction from Sep. 2015 : JPY 283 bn)
- Consent of sales from clients (outstanding, Sep. 2018) : JPY 83 bn

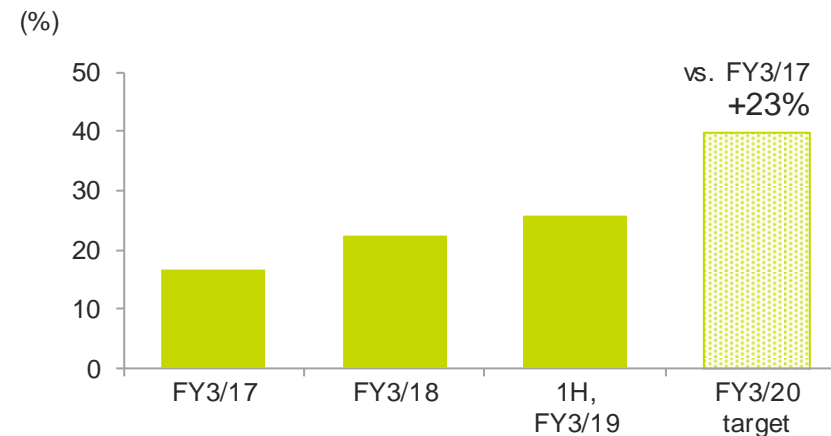
Wealth management business

Balance of fee based AUM (SMBC + SMBC Nikko)



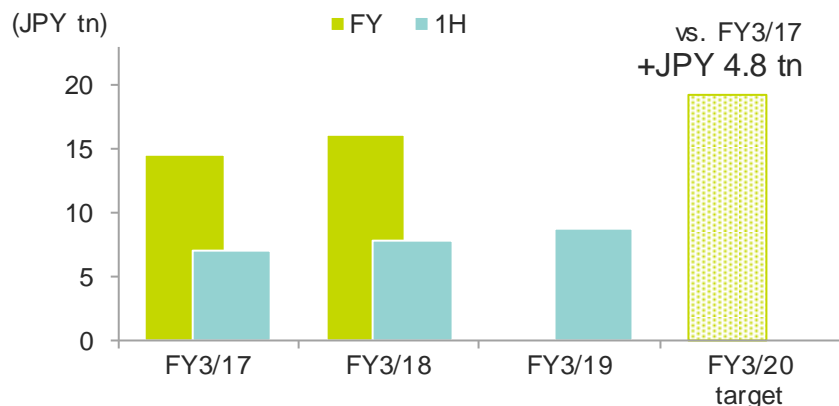
Digitalization

Utilization rate for digital channels (SMBC)^{*2}



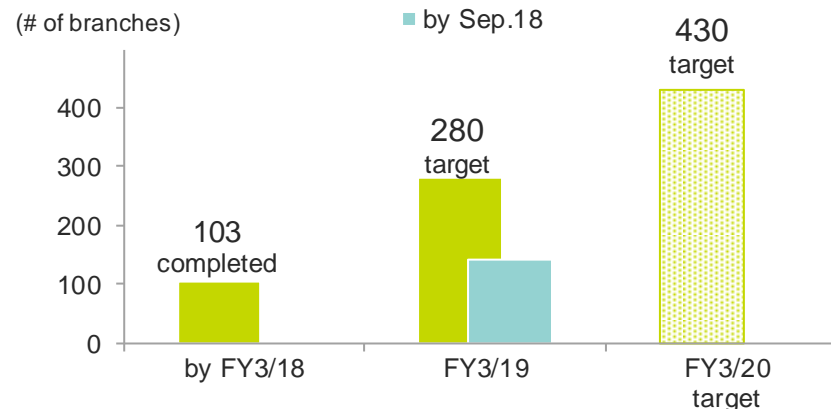
Credit card business

Credit card sales handled (SMCC+Cedyna)^{*1}



Branch reorganization

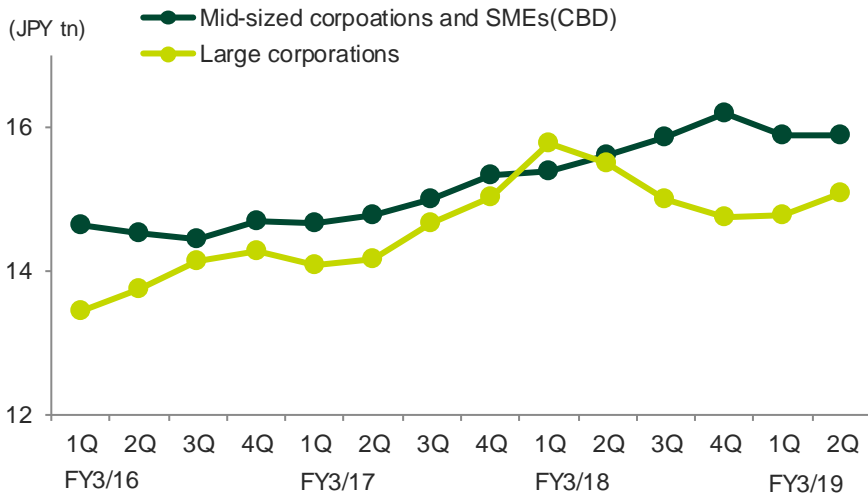
Transformation to smart branches (SMBC)



Wholesale business

Loan balance of Wholesale Banking Unit ^{*1,2}

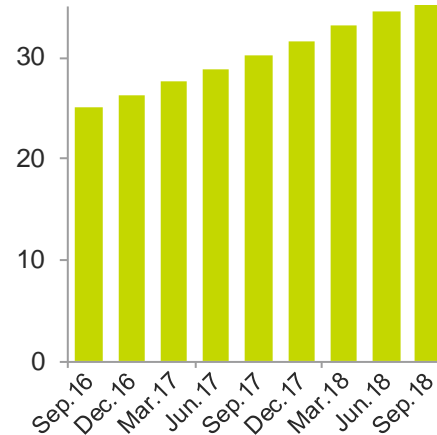
(Non-consolidated)



Bank-securities collaboration ^{*4}

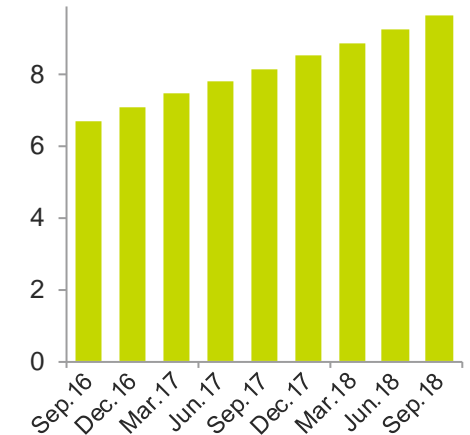
Wealth Management

(thousand)



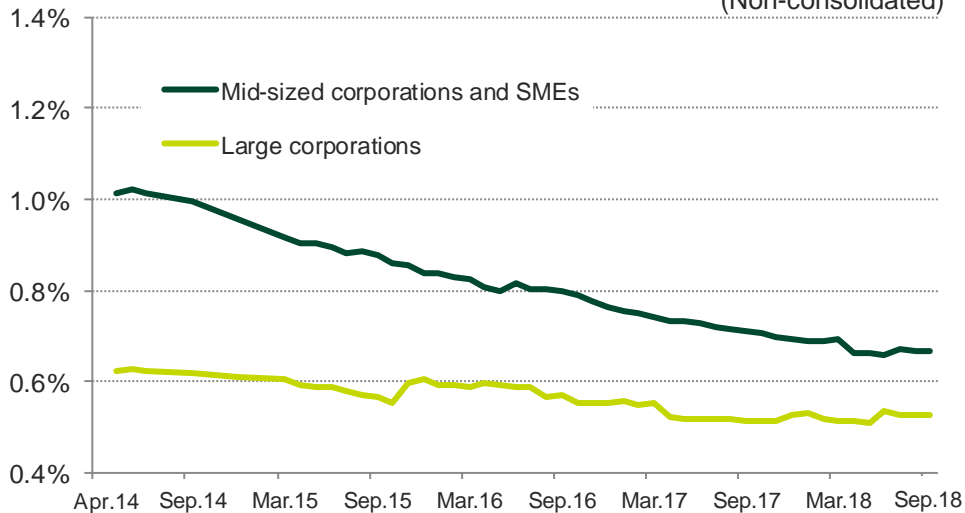
Investment banking

(thousand)



Domestic corporate loan spread ^{*1,3}

(Non-consolidated)



League tables (Apr.-Sep.2018) ^{*5}

	Rank	Mkt share
SMBC Nikko	Global equity & equity-related (book runner, underwriting amount) ^{*6}	#3 13.4%
	JPY denominated bonds (lead manager, underwriting amount) ^{*7}	#3 18.7%
	Japanese corporate bonds (lead manager, underwriting amount)	#3 18.1%
SMBC Group	IPO (lead manager, No. of deals) ^{*8}	#3 19.6%
	Financial advisor (M&A, No. of deals) ^{*9}	#1 4.5%
	Financial advisor (M&A, transaction volume) ^{*9}	#10 29.5%

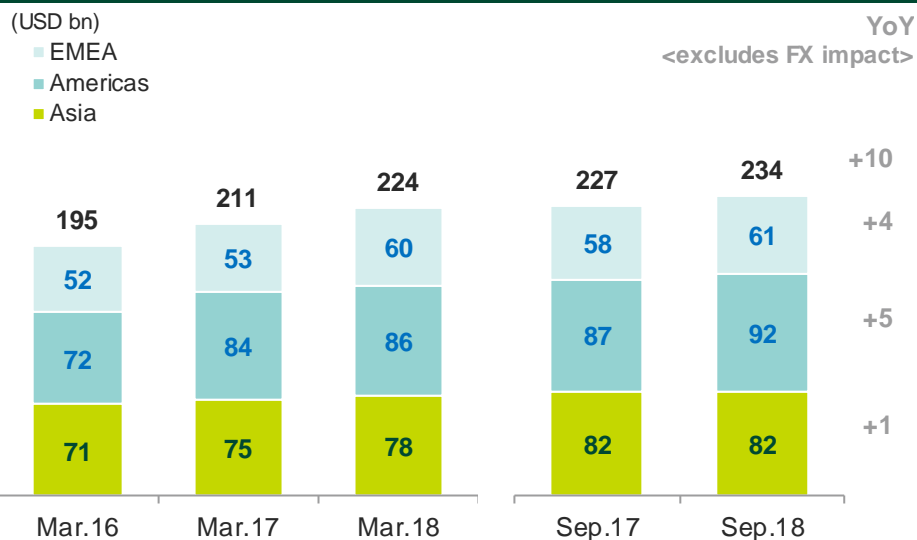
*1 Managerial accounting basis. Excludes loans to the Japanese government, etc. *2 Quarterly average *3 Monthly average loan spread of existing loans

*4 Accumulated no. of cases via referral / intermediary services from SMBC to SMBC Nikko *5 Source: SMBC Nikko, based on data from Thomson Reuters

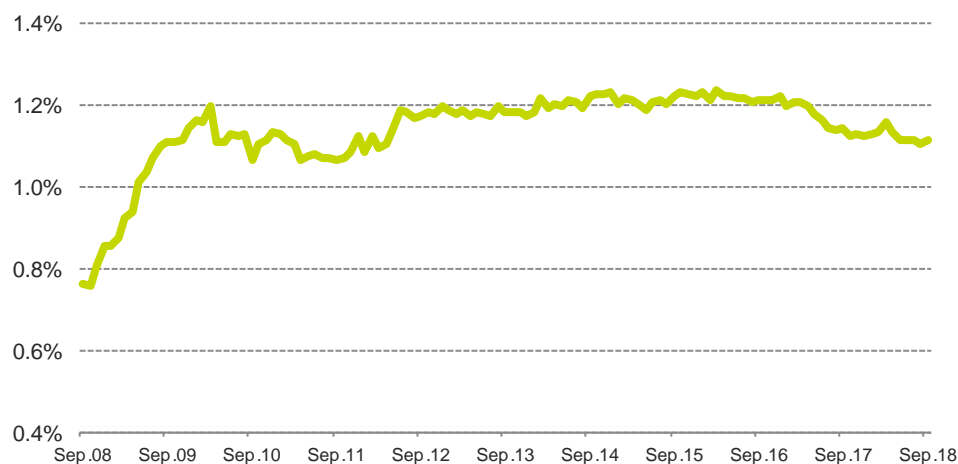
*6 Japanese corporate related only. Includes overseas offices *7 Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds *8 Excludes REIT IPO. Includes overseas offices *9 Japanese corporate related only

Overseas business*1

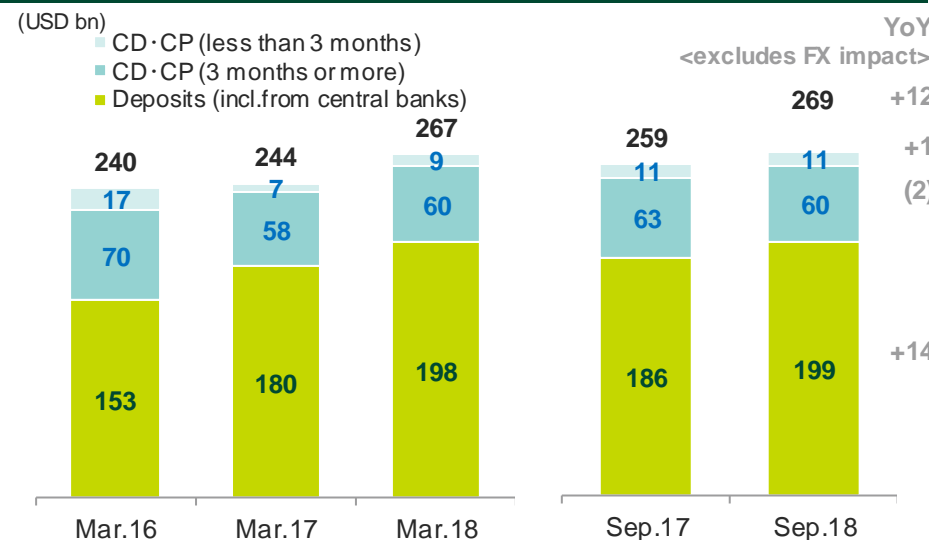
Overseas loan balance (includes trade bills)



Overseas loan spread*2



Overseas deposit balance



Foreign currency bonds outstanding*3	Senior	44.1	54.2	46.6	57.2
	Subordinated	4.1	4.2	4.1	4.1

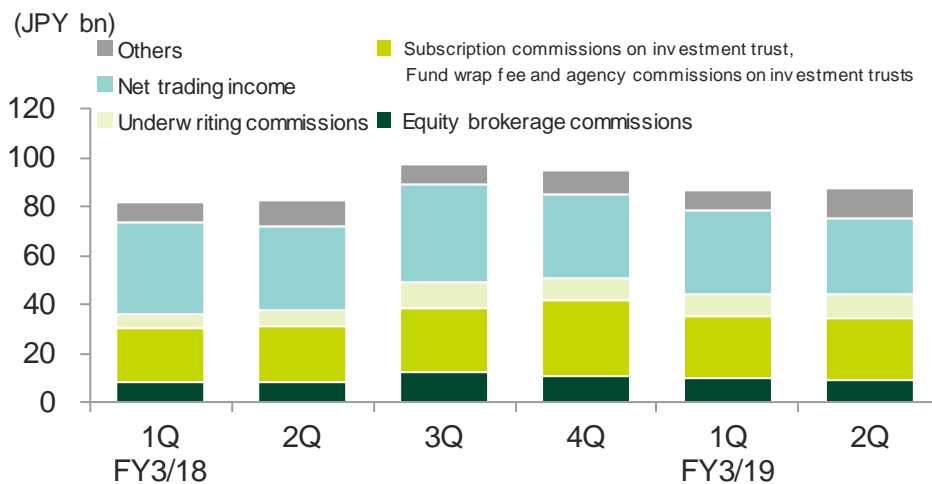
Benchmark issues of foreign currency bonds*4 (since Oct. 2018)

Security type	Issue Date	Currency	Amount (mn)	Tenor	Coupon
Senior (SMBC)	Oct.16, 2018	USD	1,000	2y	3mL+37bp
Senior (SMFG) TLAC bonds	Oct.16, 2018	USD	1,000	5y	3.936%
			850	5y	3mL+80bp
			650	10y	4.306%
Covered bonds (SMBC)	Nov.6, 2018	EUR	1,000	5y	0.550%

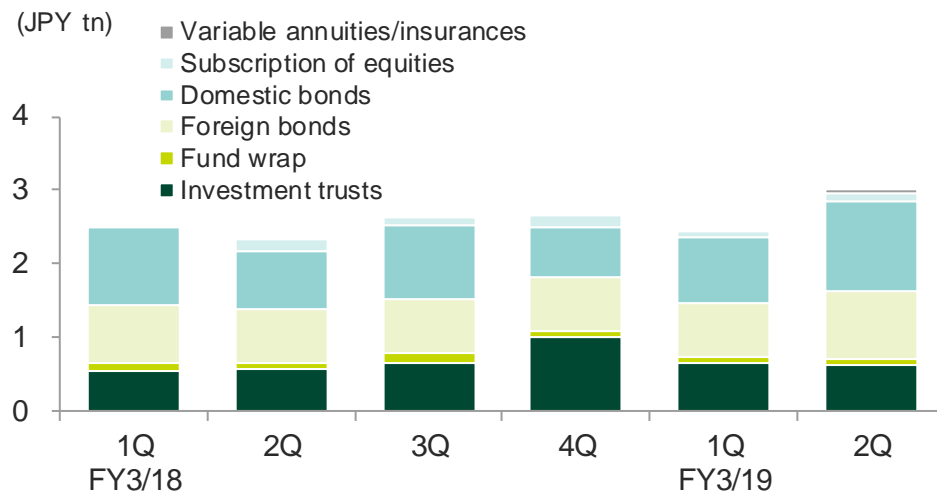
Financial results

(JPY bn)	FY3/18	1H, FY3/19	YoY	vs. sum of two companies ^{*1}
Net operating revenue	357.3	173.5	+8.7	(7.0)
SG&A expenses	267.6	140.8	+16.1	(0.1)
Ordinary income	94.9	36.2	(5.6)	(5.9)
Profit attributable to owners of parent^{*1}	63.7	27.9	(0.9)	(1.0)

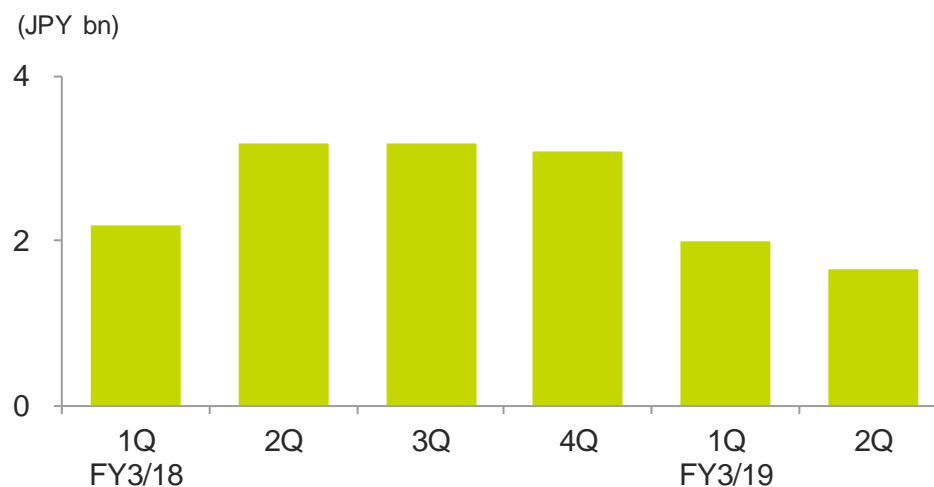
Net operating revenue



Product sales



Earnings of overseas offices^{*2}



*1 Compared with the sum of SMBC Nikko and SMBC Friend

*2 Earnings of SMBC Nikko Securities (Hong Kong, Singapore), Securities Product Group of SMBC Nikko Capital Markets, SMBC Nikko Securities America and preparation company for consolidated subsidiary in Frankfurt, Germany

Financial results

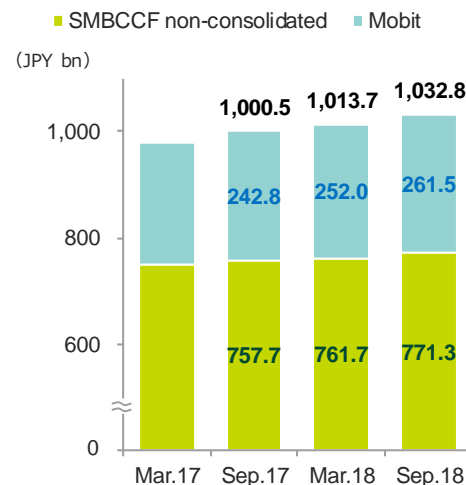
(JPY bn)	FY3/18	1H, FY3/19	YoY
Operating income	273.8	140.2	+3.9
Operating expenses	238.3	104.4	+2.9
Expenses for loan losses	58.1	37.2	+2.4
Ordinary profit	35.9	36.1	+1.1
Profit attributable to owners of parent	24.6	29.4	+3.1

Consumer loans outstanding	1,115.6	1,141.1
Allowance on interest repayments	109.4	93.0
Loan guarantee	1,258.8	1,249.3
Regional banks, etc.	616.2	619.2

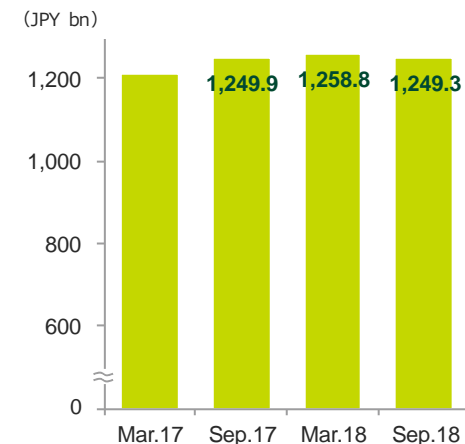
No. of companies with guarantee agreements: 189 (Sep. 2018)

Loans / loan guarantee / overseas businesses

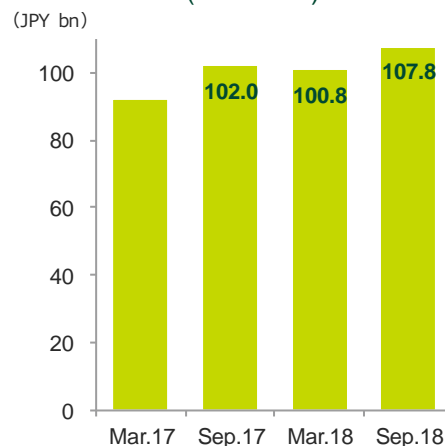
Consumer loans outstanding (domestic)



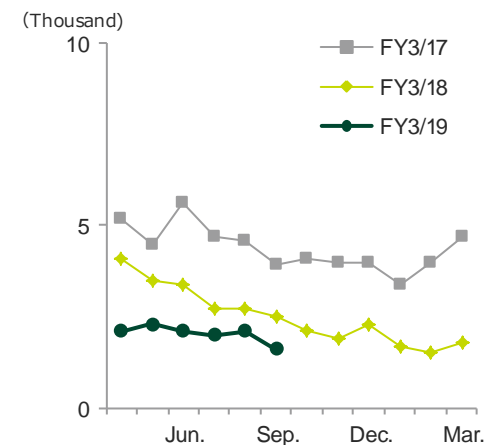
Loan guarantee amount



Consumer loans outstanding (overseas)



No. of interest refund claims



Results by Business Unit

Net business profit, ROE and RWA

		(JPY bn)	FY3/18	1H FY3/19 ^{*1}	YoY ^{*2}
Retail	Gross profit		1,311.5	633.0	+2.8
	Expenses		1,027.5	508.7	+3.4
	Overhead ratio		78.3%	80.4%	+0.2%
	Net business profit		299.5	130.3	(0.1)
	ROE^{*3}		7.5%	6.5%	(0.3%)
	RWA (JPY tn)^{*4}		13.8	12.9	+0.3
Wholesale	Gross profit		772.9	383.1	+12.0
	Expenses		347.8	171.1	+2.3
	Overhead ratio		45.0%	44.6%	(0.8%)
	Net business profit		478.5	233.6	+9.1
	ROE^{*3}		11.4%	13.3%	+2.2%
	RWA (JPY tn)^{*4}		20.1	19.2	(0.7)
International	Gross profit		632.0	338.1	+21.5
	Expenses		280.7	156.0	+12.3
	Overhead ratio		44.4%	46.1%	+0.7%
	Net business profit		398.2	203.8	+1.4
	ROE^{*3}		10.6%	10.4%	(0.4%)
	RWA (JPY tn)^{*4}		21.0	21.4	+0.1
Global markets	Gross profit		356.2	200.2	+3.8
	Expenses		53.9	27.2	+0.2
	Overhead ratio		15.1%	13.6%	(0.2%)
	Net business profit		319.8	182.5	+4.6
	ROE^{*3}		33.5%	38.4%	+2.5%
	RWA (JPY tn)^{*4}		5.9	5.7	(1.4)

Breakdown of consolidated gross profit^{*5}

		(JPY bn)	FY3/18	1H, FY3/19	YoY ^{*2}
Consolidated gross profit			2,981.1	1,460.0	(5.8)
o/w SMBC's domestic income					
on loans and deposits			470.0	226.8	(8.1)
International Business Unit's income					
on loans and deposits ^{*6}			261.3	148.1	+10.9
o/w Retail Business Unit			1,311.5	633.0	+2.8
Wealth management business			360.7	170.8	(2.4)
Credit card business			385.2	192.5	+8.3
Non-consolidated income on loans			145.0	68.3	(4.5)
Consumer finance business			302.1	152.4	+1.9
o/w Wholesale Business Unit			772.9	383.1	+12.0
Income on loans			177.8	86.8	(3.4)
S	Money remittance, electronic banking		64.1	32.1	+1.0
M	Foreign exchange		41.9	19.9	+0.4
B	Loan syndication		51.6	14.6	(7.8)
C	Structured finance		31.5	20.8	+13.6
Security business			81.9	40.8	+5.3
Leasing business			122.8	61.6	+0.3
o/w International Business Unit			632.0	338.1	+21.5
Asset related income ^{*6}			403.8	207.8	+2.2
Loan related fees ^{*6}			98.5	53.8	+4.6
Securities business			39.6	20.9	+2.2
Aircraft leasing			45.8	24.0	+0.2
o/w Global markets Business Unit			356.2	200.2	+3.8
o/w SMBC's Treasury Unit			273.4	158.8	+2.5

*1 ROE and RWA are preliminary *2 After adjustments of the changes of interest rates and exchange rates

*3 Managerial accounting basis with RWA calculated assuming Basel III reforms are finalized. Excludes impact from the provision for losses on interest repayments and the cost from branch reorganization (Retail), the mid- to long-term foreign currency funding costs (International) and the interest-rate risk associated to the banking account (Global Markets)

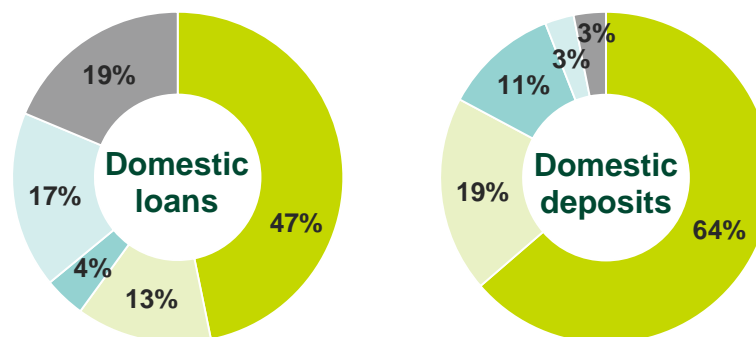
*4 Basel III transitional basis *5 Managerial accounting basis *6 Sum of SMBC, SMBC Europe, SMBC (China), SMBC Trust, etc.

Balance sheet

Consolidated B/S

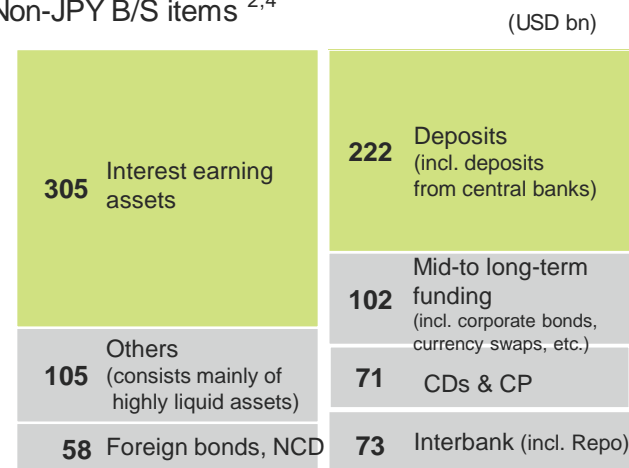
	Sep.18	vs Mar.18
	(JPY tn)	
Total assets	207.0	+7.9
o/w Cash and due from banks	56.1	+2.4
o/w BOJ's current account balance ^{*1}	44.9	+3.3
o/w Loans	75.9	+3.0
o/w Domestic loans ^{*1}	53.4	+0.2
o/w Large corporations ^{*2}	15.5	+0.6
Mid-sized corporations & SMEs ^{*2}	17.8	(0.1)
Individuals ^{*2}	13.3	(0.2) ^{*3}
o/w Securities	25.1	(0.6)
o/w Other securities	24.8	(0.6)
o/w Stocks	3.9	(0.0)
JGBs	6.9	(2.3)
Foreign bonds	9.0	+1.8
Total liabilities	195.2	+7.8
o/w Deposits	119.4	+2.9
o/w Domestic deposits ^{*1}	94.4	+1.5
Individuals	46.2	+0.9
Corporates	48.1	+0.6
o/w NCD	11.5	+0.3
Total net assets	11.8	+0.2
Loan to deposit ratio	58.0%	

Composition of loans and deposits^{*1}



- Spread-based (repriced within 1 year)
- Spread-based (more than 1 year)
- Prime-rate-based
- Prime-rate-based (consumer)
- Others
(Loans denominated in foreign currencies, overdraft, etc.)
- Ordinary deposits
- Time deposits
- Current deposits
- Foreign currency deposits
- Others (Sundry deposits, etc.)

(Ref) Non-JPY B/S items^{*2,4}



468 Assets / Liabilities

*1 Non-consolidated *2 Managerial accounting basis *3 After adding back the portion of housing loans securitized in 1H,FY3/19 of approx. JPY 122.5 bn
*4 Sum of SMBC, SMBC Europe, and SMBC (China)

Capital and risk-weighted assets

Capital ratio (transitional basis)

	(JPY bn)	Mar.18	Sep.18 <i>Preliminary</i>
Common Equity Tier 1 capital (CET1)		9,217.4	9,497.6
^{o/w} Total stockholders' equity related to common stock		8,510.1	8,796.0
Accumulated other comprehensive income		1,753.4	1,746.0
Regulatory adjustments related to CET1		(1,049.3)	(1,047.3)
Tier 1 capital		10,610.2	10,922.9
^{o/w} Additional Tier 1 capital instruments		599.8	600.0
Eligible Tier 1 capital instruments (grandfathered) ^{*1}		650.3	586.6
Regulatory adjustments		(81.6)	(0.0)
Tier 2 capital		1,693.9	1,649.7
^{o/w} Tier 2 capital instruments		993.4	1,002.6
Eligible Tier 2 capital instruments (grandfathered) ^{*1}		625.4	566.4
Regulatory adjustments		(50.0)	(50.0)
Total capital		12,304.1	12,572.6
Risk-weighted assets		63,540.3	63,630.2
Common Equity Tier 1 capital ratio		14.50%	14.92%
Tier 1 capital ratio		16.69%	17.16%
Total capital ratio		19.36%	19.75%

Common Equity Tier 1 capital ratio (fully-loaded^{*2})

	(JPY bn)	Mar.18	Sep.18 <i>Preliminary</i>
Common Equity Tier 1 capital		9,217.4	9,497.6
Risk-weighted assets		63,540.3	63,630.2
Common Equity Tier 1 capital ratio		14.5%	14.9%
(excluding net unrealized gains)		11.8%	12.2%

Preferred securities which become callable in FY3/19

	Issue date	Amount outstanding	Dividend rate ^{*3}	First call date ^{*4}	Type	
SMFG Preferred Capital USD 3 Limited	Jul. 2008	USD 1.35 bn	9.5%	Jul. 2018	Step-up	Called
SMFG Preferred Capital JPY 2 Limited (Series A)	Dec. 2008	JPY 113 bn	4.57%	Jan. 2019	Step-up	

Leverage ratio

	(JPY bn)	Sep.18
Tier1 capital		10,922.9
Leverage exposure		220,964.1
Leverage ratio		4.94%

LCR

Average Jul.-Sep.18

132.8%