

Overview of 3Q FY3/2023

January 30, 2023



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)

	Dec.21	Mar.22	Dec.22
USD	JPY 115.01	JPY 122.41	JPY 132.71
EUR	JPY 130.51	JPY 136.81	JPY 141.43

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

Income statement

Progress rate of 1-3Q: Consolidated net business profit 81%, Profit attributable to owners of parent 99%
Full-year target remains unchanged considering uncertain global economy.

	(JPY bn)	1-3Q FY3/23	YoY	FY3/23 target
1	Consolidated gross profit	2,377.4	+195.4	
2	G&A expenses	1,427.7	+97.3	
	Overhead ratio	60.1%	(0.9)%	
3	Equity in gains (losses) of affiliates	79.5	+25.4	
	Progress			
4	Consolidated net business profit	81% 1,029.2	+123.5	1,265
5	Total credit cost	111.1	(46.6)	210
6	Gains (losses) on stocks	138.2	+3.5	
7	Other income (expenses)	(23.7)	(8.4)	
8	Ordinary profit	1,032.6	+165.2	1,120
9	Extraordinary gains (losses)	(2.5)	+2.7	
10	Income taxes	256.5	+24.2	
11	Profit attributable to owners of parent	99% 766.0	+141.2	770
12	ROE	10.0%	+1.4%	

Consolidated gross profit: increased YoY due to
1) loan growth and related transactions in WS and GB, and
2) strong performance of payment business.
Impact of FX: +119

G&A expenses: maintained the same level YoY, excluding
the impact of FX (+66) and consolidation of Fullerton India (+32).

Equity in gains of affiliates: increased YoY mainly due to
gains on change in equity of Bank of East Asia.
Impact of FX: +10

Total credit cost: decreased YoY mainly due to the absence of
reserves recorded for large borrowers in 3Q FY3/22.

Gains on stocks: increased YoY due to larger gains on sales of
strategic shareholdings (108, YoY +33), while ETF sales decreased.

Impact of consolidating Fullerton India (JPY bn)

Consolidated gross profit	+40	Total credit cost	+7
G&A expenses (incl. goodwill amortization)	+32	Profit attributable to owners of parent	(3)
Consolidated net business profit	+8		

(Ref.) Group companies

SMBC

	(JPY bn)	1-3Q FY3/23	YoY	FY3/23 target
1 Gross banking profit		1,287.9	+156.7	
2 o/w Net interest income		871.3	+128.4	
3 o/w Gains (losses) on cancellation of investment trusts		31.8	(6.9)	
4 Domestic		473.3	+46.5	
5 Overseas		398.0	+81.9	
6 o/w Net fees and commissions		336.5	+60.9	
7 Domestic		146.6	+10.8	
8 Overseas		189.9	+50.1	
9 o/w Net trading income+ Net other operating income		78.4	(32.7)	
10 o/w Gains (losses) on bonds		(77.9)	(95.7)	
11 Expenses		653.4	+23.7	
12 Banking profit		634.4	+133.1	840
13 Total credit cost		54.3	(33.5)	80
14 Gains (losses) on stocks		127.9	+45.3	
15 Extraordinary gains (losses)		19.9	+5.7	
16 Net income		563.7	+219.2	590

*1 YoY includes the impact of group reorganization

*2 Incl. profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG)

*3 Managerial accounting basis

Other major group companies

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

(JPY bn)	SMCC	SMCC	SMCCF ^{*1}	SMCCF ^{*1}	SMBC Nikko ^{*2}	SMBC Nikko ^{*2}
Gross profit	331.5	+27.1	208.6	+3.9	188.8	(124.4)
Expenses	272.8	+22.4	91.2	+0.9	235.2	(10.6)
Net business profit	59.0	+5.1	110.4	(4.1)	(46.4)	(113.8)
Net income	26.4	+1.8	55.4	(6.5)	(41.3)	(88.8)

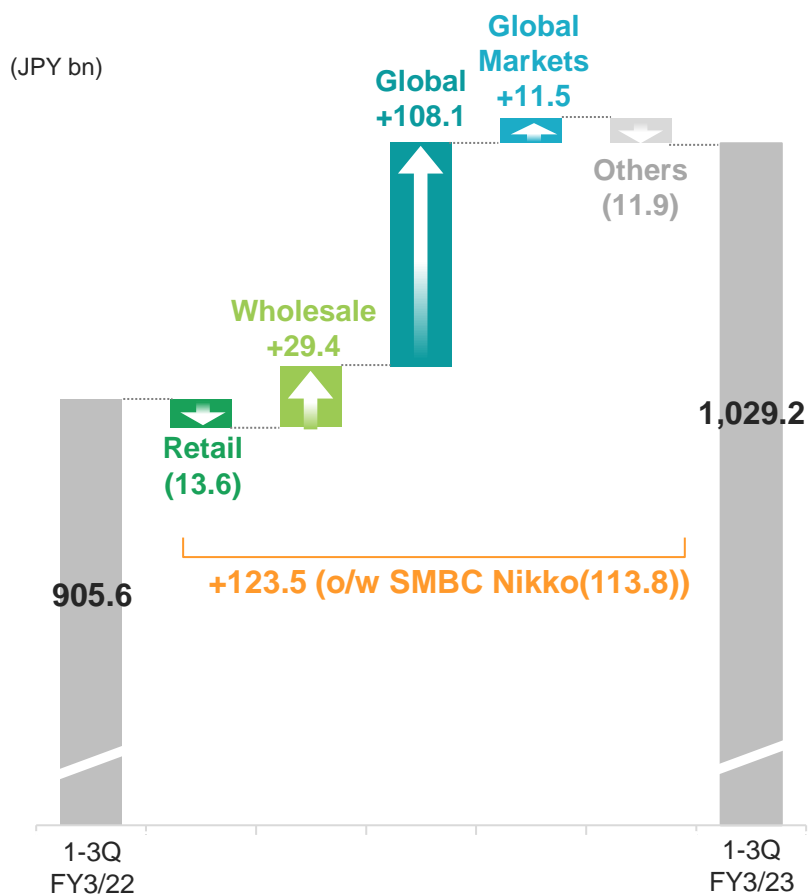
(Equity method affiliate)

	SMBC Trust	SMBC Trust	SMDAM	SMDAM	50% SMFL ^{*3}	50% SMFL ^{*3}
Gross profit	40.8	+6.4	27.1	(1.6)	191.2	+29.1
Expenses	27.3	(6.1)	22.9	+0.5	85.4	+10.7
Net business profit	13.4	+12.5	4.2	(2.2)	113.4	+20.3
Net income	11.2	+11.4	2.5	(1.4)	61.2	+4.3

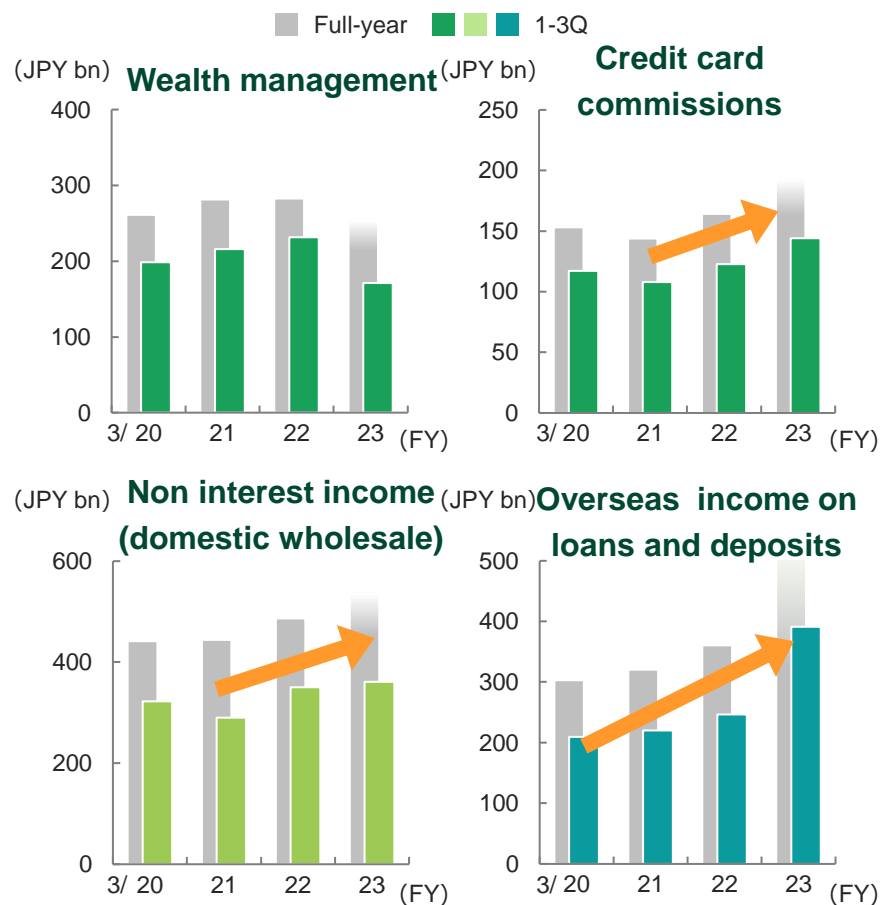
Consolidated net business profit

Remains solid with progress rate of 81.4% (YoY +123.5bn.) Profit decline in SMBC Nikko and the wealth management business was offset by strong growth of other businesses.

Breakdown of YoY



Business (Gross profit)

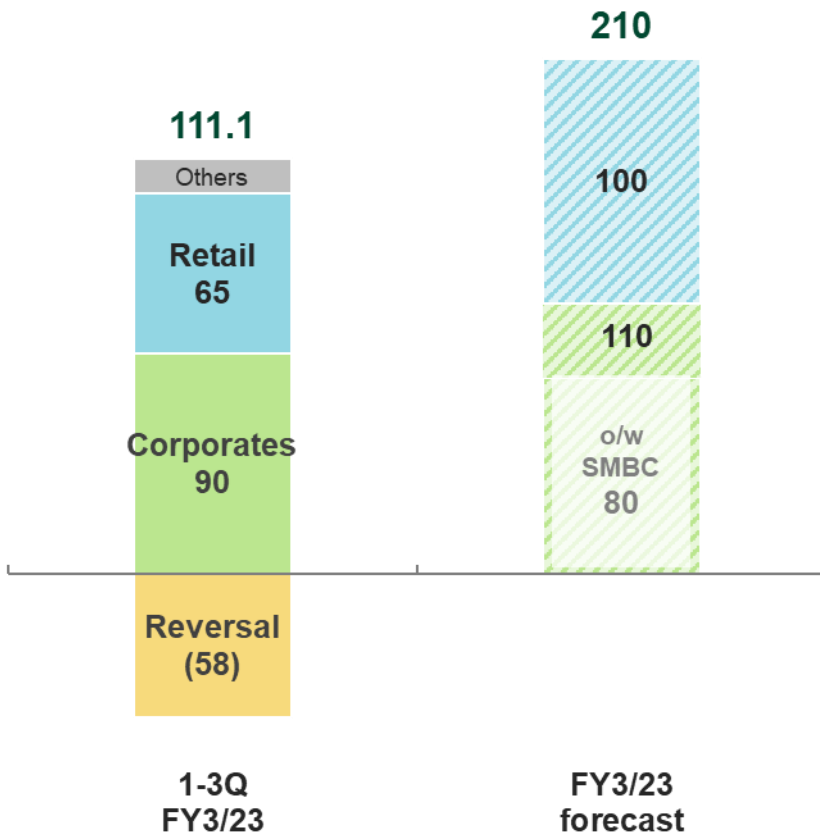


Credit costs / Financial impact from Russia

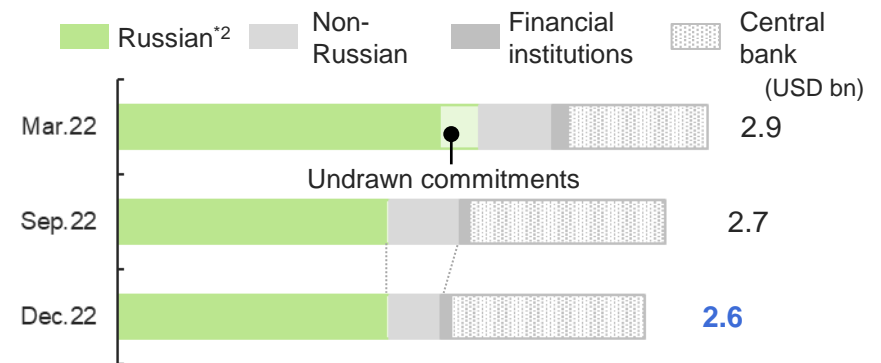
Credit cost was managed at low level compared with full-year forecast due to reversals.
Full-year forecast remains unchanged at JPY 210 bn considering uncertain global economy.

Credit costs

(JPY bn)



Banking exposure to Russia^{*1}



Aircraft leasing

- Impairment of aircraft: JPY 47 bn in FY3/22 (52% of NBV– after net guarantee deposit, etc)
- Downside: Additional impairment (≤USD 460 mn^{*3})
- All aircraft are insured, insurance claims are submitted

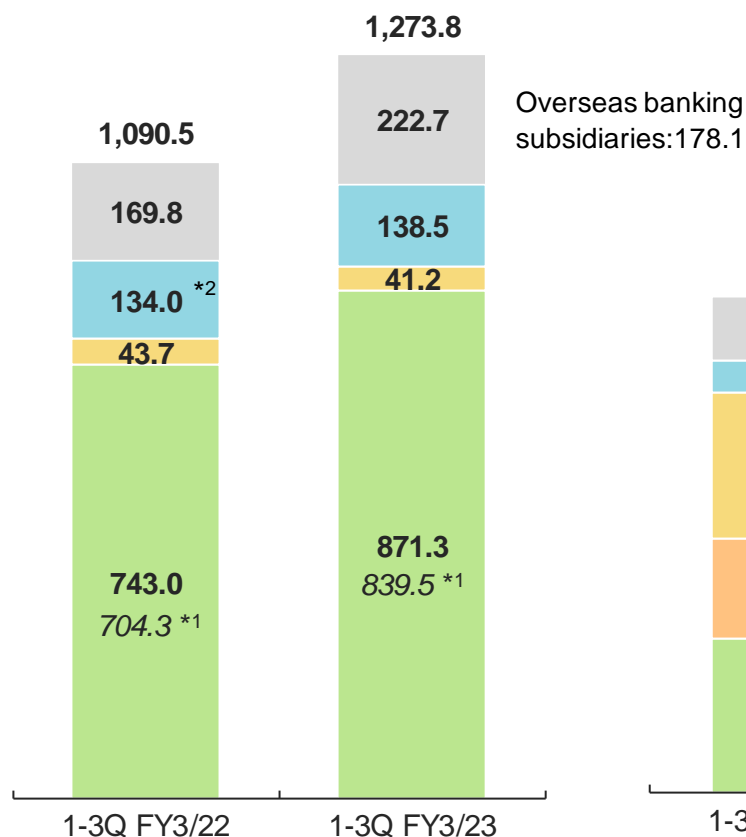
*1 Managerial accounting basis. Loans, commitment lines, guarantee investments, etc. of SMBC and local subsidiary calculated based on ultimate risk countries *2 Incl. project finance and ship finance
*3 After considering tax and ownership ratio (66%)

Consolidated gross profit

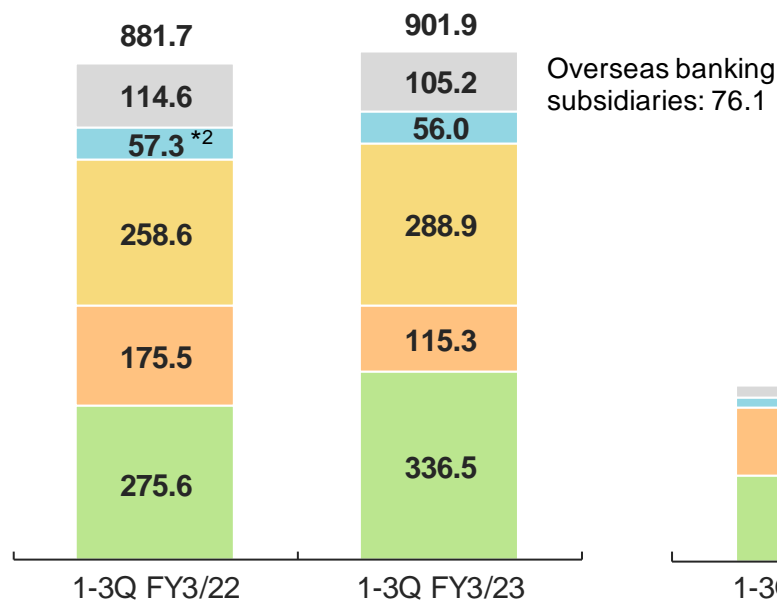
■ SMBC ■ SMBC Nikko ■ SMCC ■ SMBCCF ■ Others

Net interest income

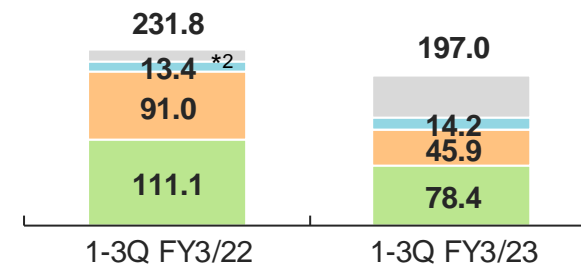
(JPY bn)



Net fees and commissions



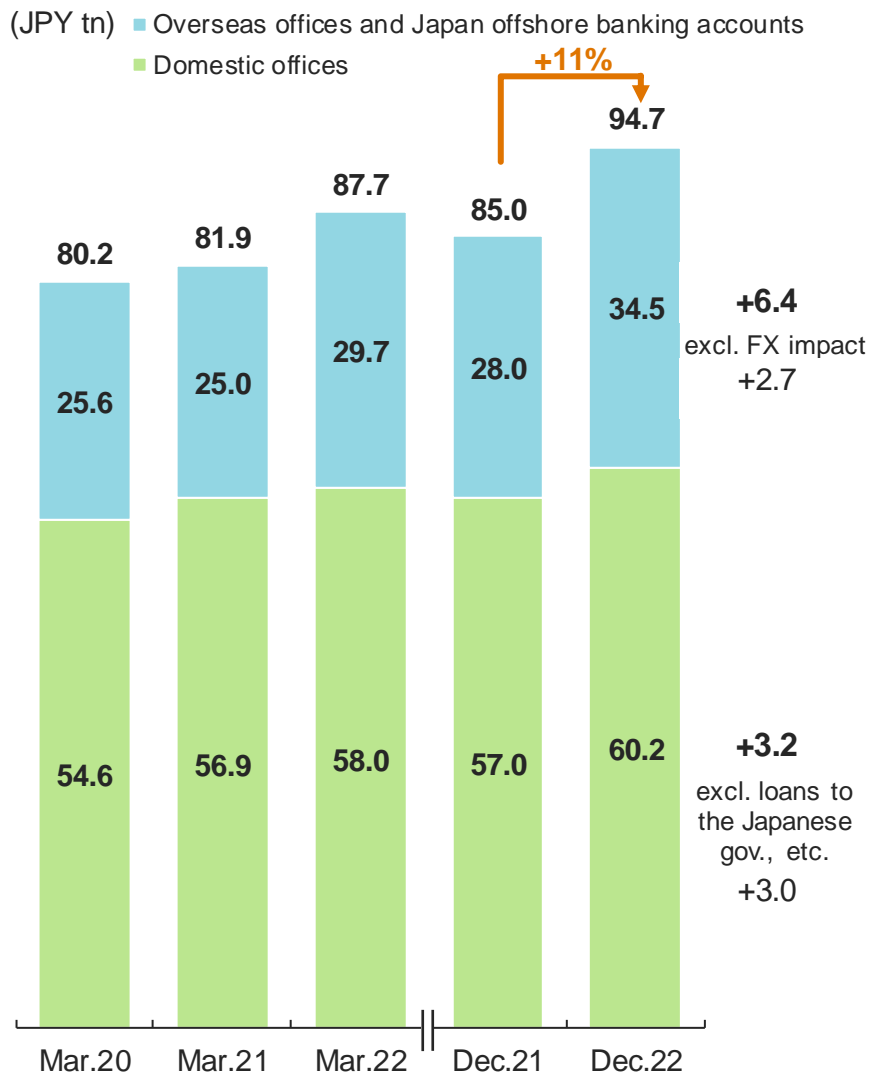
Net trading income + Net other operating income



*1 Excl. gains on cancellation of investment trusts *2 Incl. impact of group reorganization

Loans*1

Loan balance



Domestic loan-to-deposit spread

(%)	1-3Q FY3/23	YoY	1Q	2Q	3Q
Interest earned on loans and bills discounted	0.83	(0.01)	0.83	0.84	0.81
Interest paid on deposits, etc.	0.00	+0.00	0.00	0.00	0.00
Loan-to-deposit spread	0.83	(0.01)	0.83	0.84	0.81

(Ref.) Excludes loans to the Japanese government, etc.

Interest earned on loans and bills discounted	0.85	(0.01)	0.85	0.86	0.83
Loan-to-deposit spread	0.85	(0.01)	0.85	0.86	0.83

Average loan balance and spread*2

	Balance (JPY tn)		Spread (%)	
	1-3Q FY3/23	YoY*4	1-3Q FY3/23	YoY
Domestic loans	57.1	+1.9	0.71	(0.01)
Excluding loans to the Japanese government, etc.	54.5	+1.7	0.73	(0.01)
o/w Large corporations	19.5	+0.8	0.55	+0.02
o/w Mid-sized corporations & SME	19.8	+0.8	0.62	+0.01
o/w Individuals	11.8	(0.2)	1.36	(0.03)
GBU's interest earning assets*3	361.3 USD bn	+38.6 USD bn	1.24	+0.04

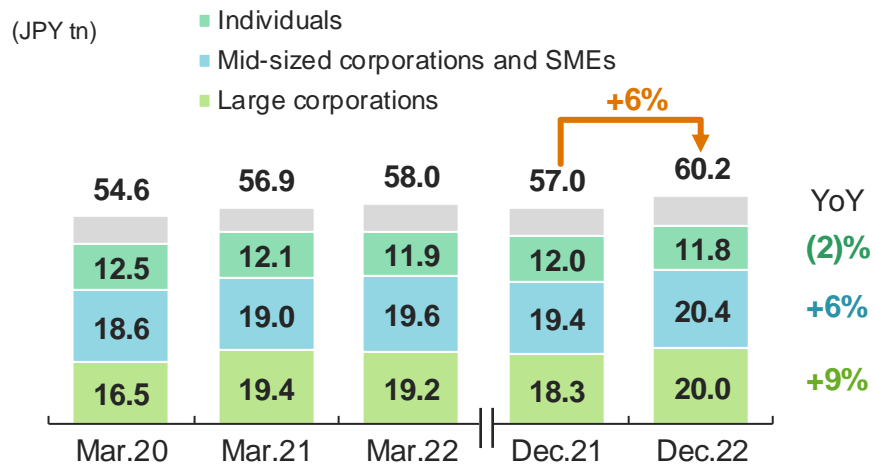
*1 Non-consolidated *2 Managerial accounting basis

*3 Sum of SMBC, major local subsidiaries and SMBC Trust, etc. Sum of loans, trade bills, and securities

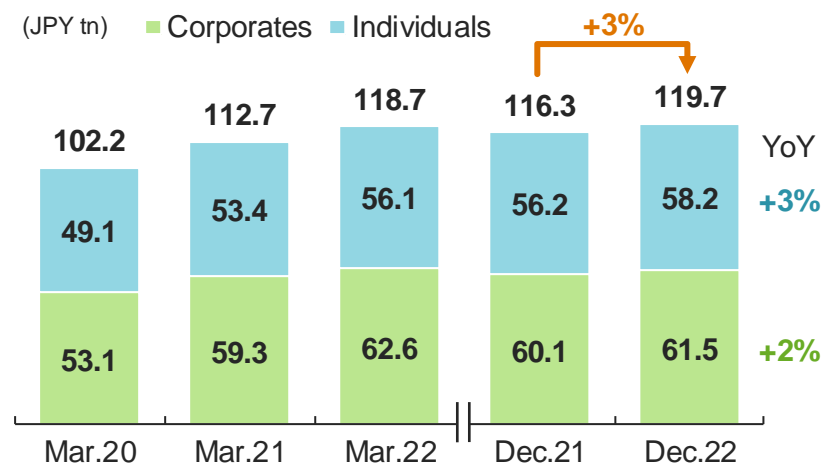
*4 After adjustments for exchange rates, etc.

Domestic loans and deposits*1

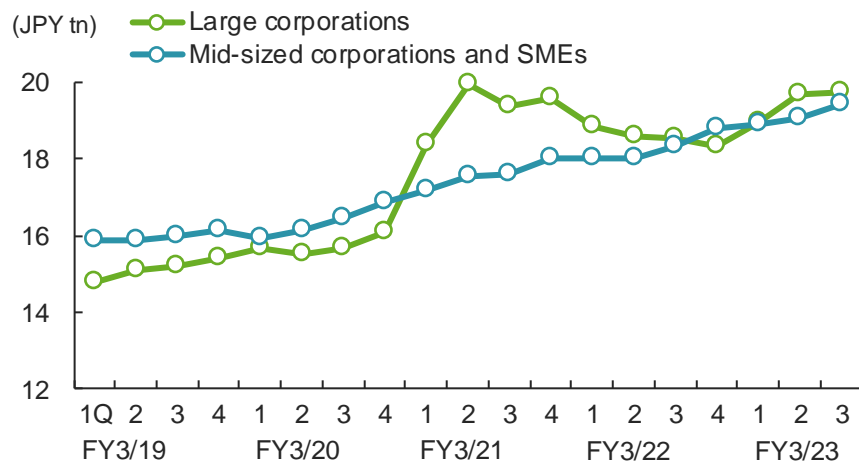
Loan balance*2



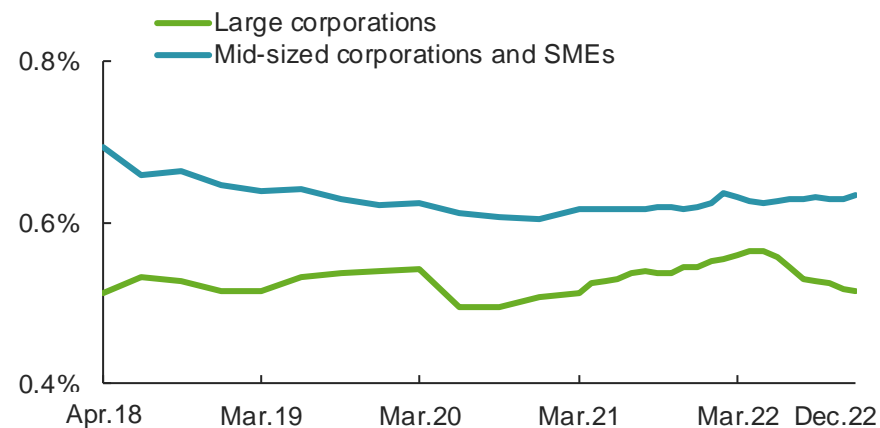
Deposit balance



Loan average balance for corporates*2,3



Loan spread for corporates*2,4



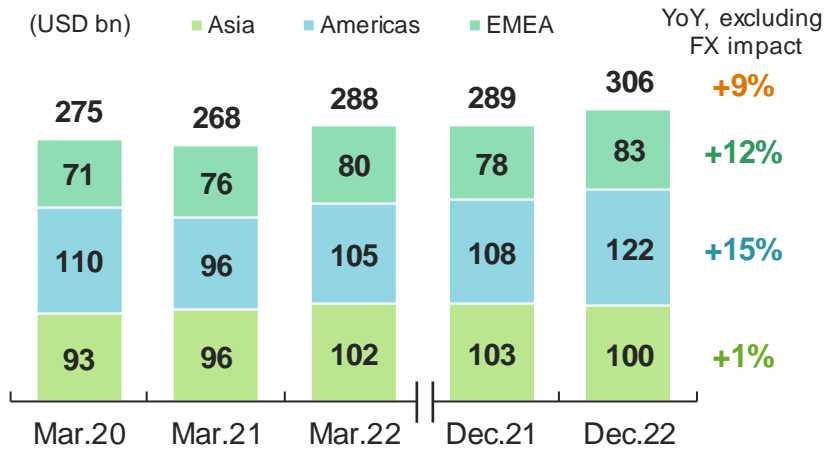
*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average, excluding loans to the Japanese government.

Figures for SMEs are the outstanding balance of Corporate banking division

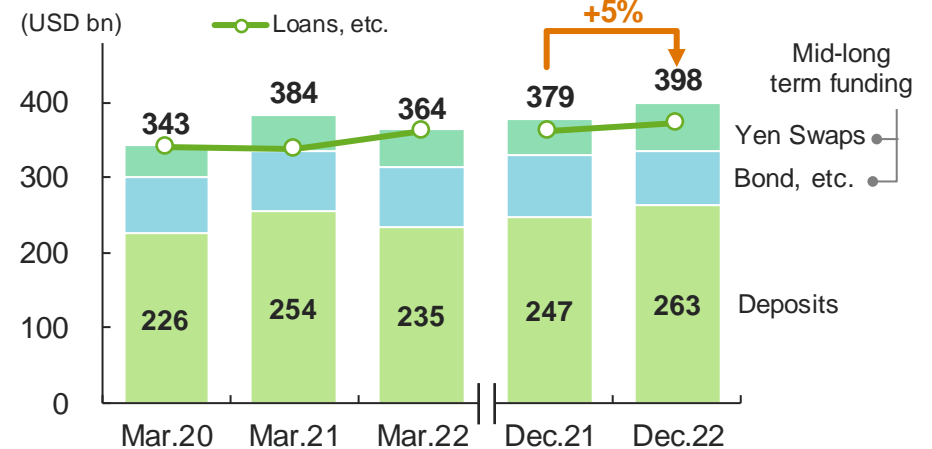
*4 Loan spread of existing loans, excluding loans to the Japanese government

Overseas loans and deposits*1

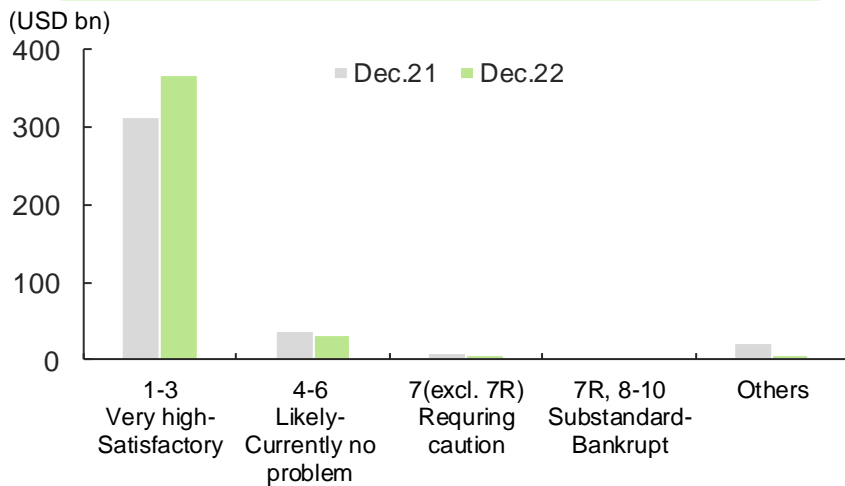
Loan balance



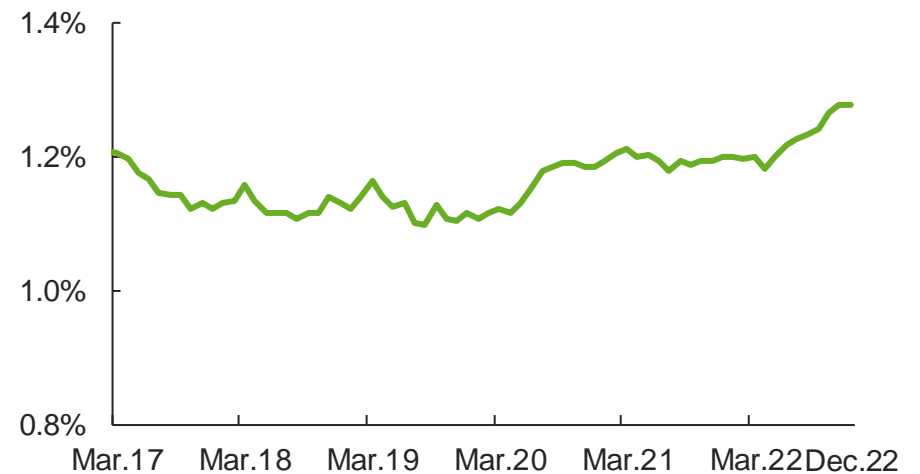
Foreign currency balance



Breakdown of exposure*2 by internal ratings



Loan spread*3



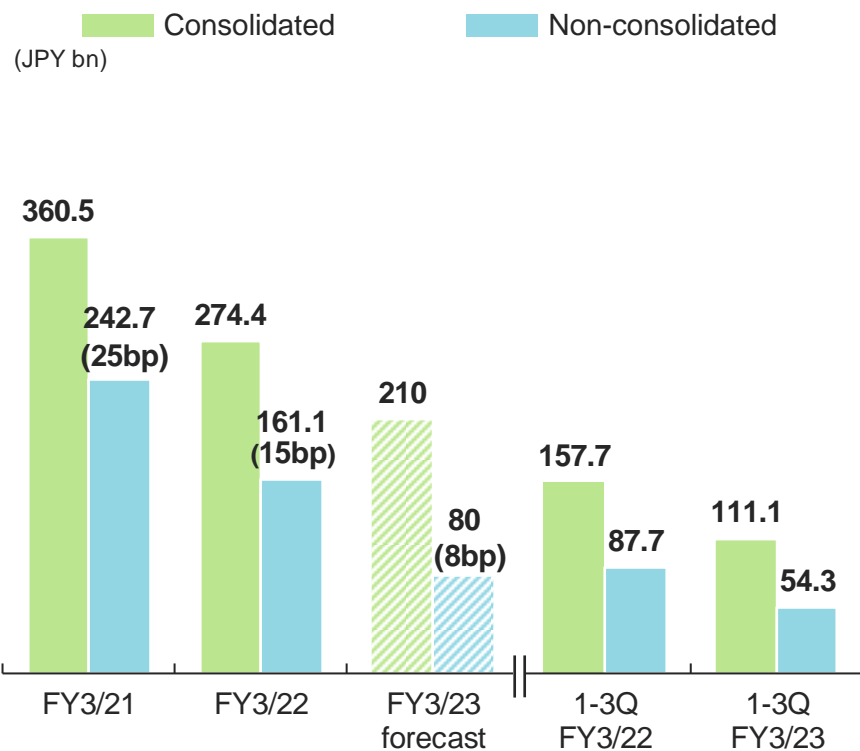
*1 Managerial accounting basis. Sum of SMBC and major local subsidiaries

*2 To non-Japanese clients, incl. undrawn commitments, and derivatives, etc.

*3 Monthly average loan spread of existing loans

Asset quality

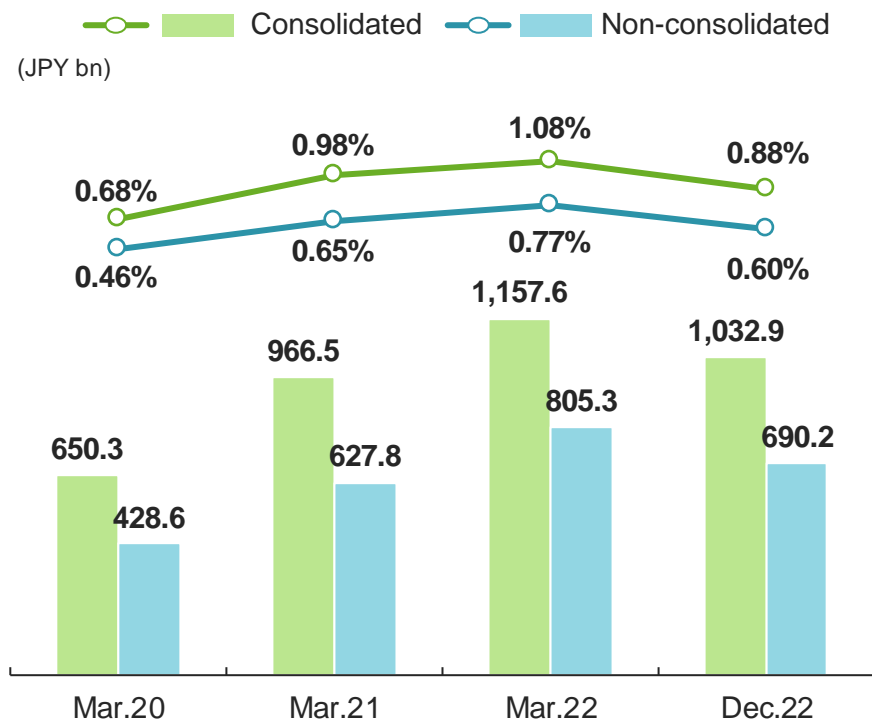
Credit costs*1



Major group companies

(JPY bn)	1-3Q FY3/23	YoY
SMBCCF	42	+5*3
SMCC	23	+5
Overseas banking subsidiaries	5	(10)
Adjustments of FX	(10)	(10)

Non-performing loan balance*2



Total claims

	(JPY tn)		
Consolidated	99	107	117
Non-consolidated	96	104	114
Claims on borrowers requiring caution (excl. claims to substandard borrowers)			
Non-consolidated	1.9	1.9	1.8

*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

*3 Incl. the impact of group reorganization

Securities (1)

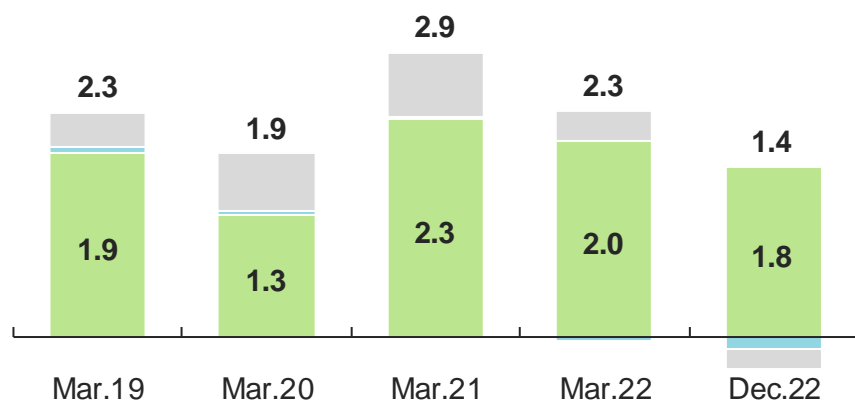
Breakdown of securities (consolidated)

	B/S amount		Unrealized gains (losses)	
	(JPY bn) Dec.22	vs Mar.22	Dec.22	vs Mar.22
Held-to-maturity	150.3	+124.6	(1.8)	(1.6)
Available for sales	30,329.4	(7,785.6)	1,430.8	(846.4)
Stocks (domestic)	3,166.4	(237.0)	1,757.3	(276.3)
Bonds (domestic)	13,174.3	(6,386.1)	(130.7)	(80.7)
o/w JGBs	9,441.0	(6,333.2)	(75.7)	(28.6)
Others	13,988.7	(1,162.5)	(195.8) ^{*1}	(489.4)
o/w Foreign bonds	11,554.1	(501.6)	(855.3)	(406.5)

Risk volume is controlled by hedging and others

Unrealized gains

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

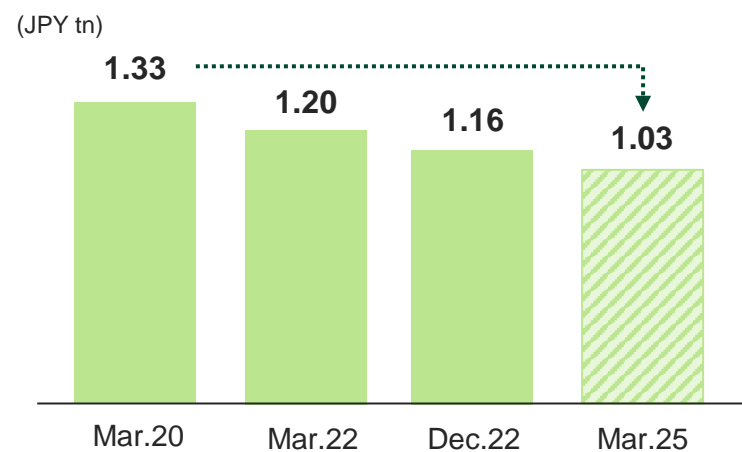


Reduction of shareholdings

Total reduction	JPY 169 bn
FY3/21	JPY 55 bn
FY3/22	JPY 67 bn
1-3Q FY3/23	JPY 46 bn
Consent of sales from clients outstanding	JPY 70 bn
Reduction + Consent	JPY 239 bn

Reduction plan^{*2}

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

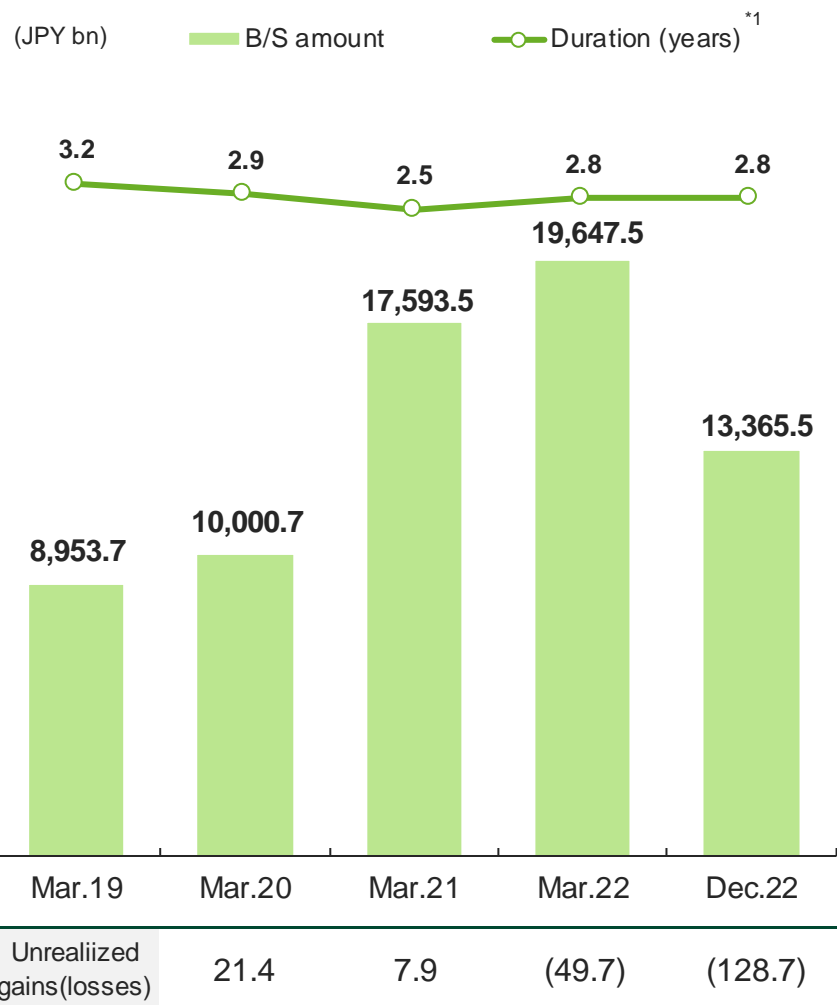


*1 The difference between foreign bonds and others is unrealized gain on foreign stocks

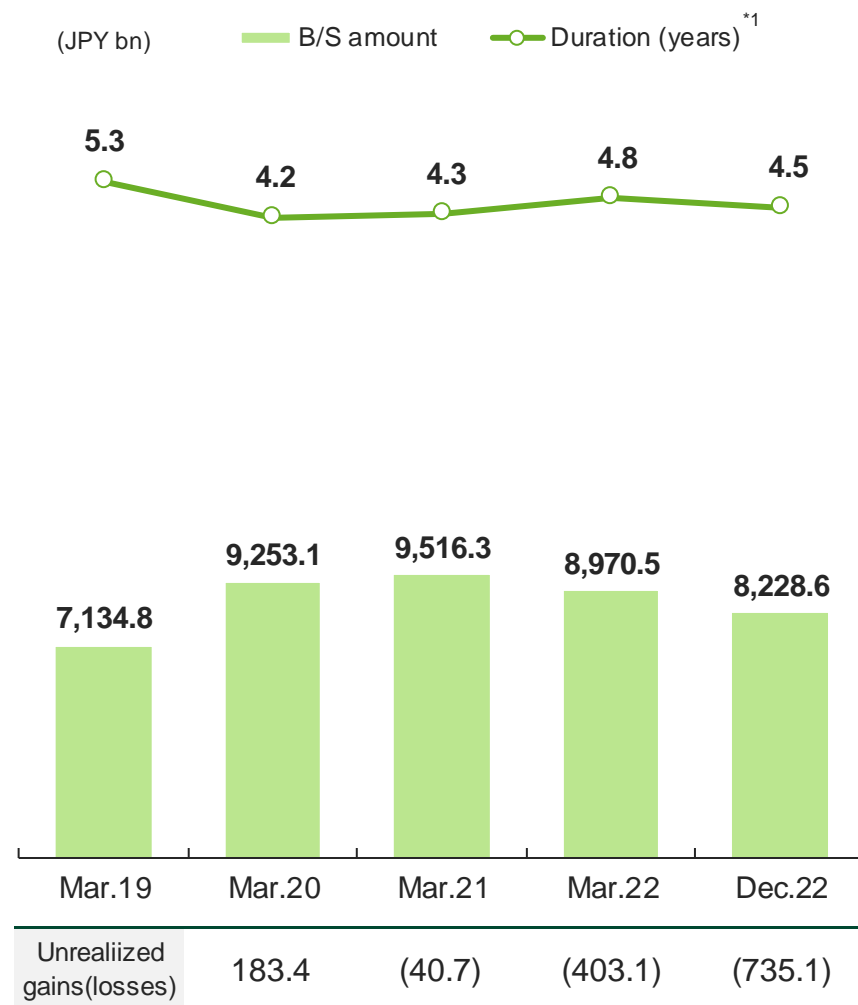
*2 Excl. investments after Mar.20 for business alliance purpose

Securities (2)

Yen-denominated bonds (Non-consolidated)



Foreign bonds (Non-consolidated)



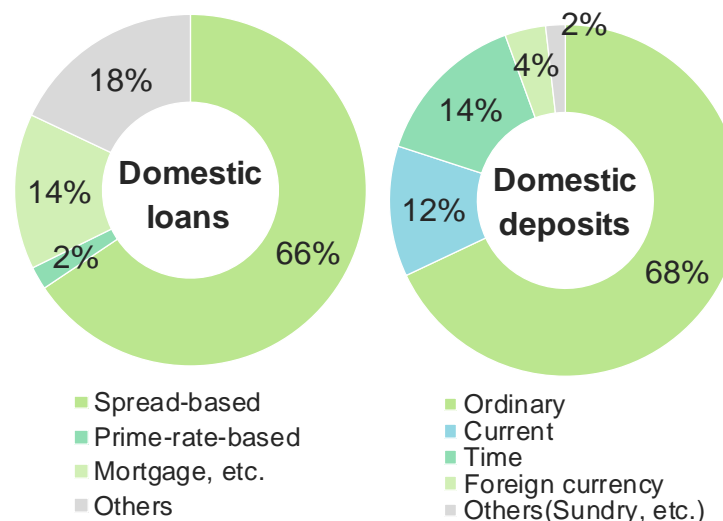
*1 Managerial accounting basis. Excl. bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds.

Balance sheet

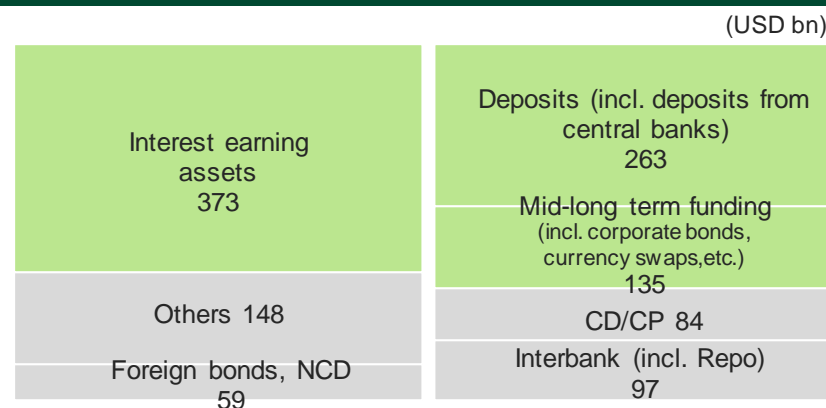
Consolidated

	(JPY tn)	Dec.22	vs Mar.22
Total assets		264.6	+6.9
o/w Cash and due from banks		67.7	(7.1)
o/w BOJ's current account balance*1		52.1	(6.5)
o/w Loans		98.9	+8.1
o/w Domestic loans*1		60.2	+2.2
o/w Large corporations*2		20.0	+0.8
o/w Mid-sized corporations & SMEs*2		20.4	+0.8
o/w Individuals*2		11.8	(0.0) *3
o/w Securities		31.1	(7.4)
o/w Other securities		30.3	(7.8)
o/w Stocks		3.2	(0.2)
o/w JGBs		9.4	(6.3)
o/w Foreign bonds		11.6	(0.5)
Total liabilities		252.2	+6.7
o/w Deposits		155.7	+7.1
o/w Domestic deposits*1		119.7	+1.0
o/w Individuals		58.2	+2.0
o/w Corporates		61.5	(1.0)
o/w NCD		13.8	+0.7
Total net assets		12.5	+0.3
Loan to deposit ratio		58.4%	

Composition of loans and deposits*1,2



Non-JPY B/S*2,4



Assets / Liabilities 580

*1 Non-consolidated *2 Managerial accounting basis

*3 After adding back the portion of housing loans securitized in 1-3Q FY3/23 of JPY 103.6 bn

*4 Sum of SMBC and major local subsidiaries

Results by Business Unit

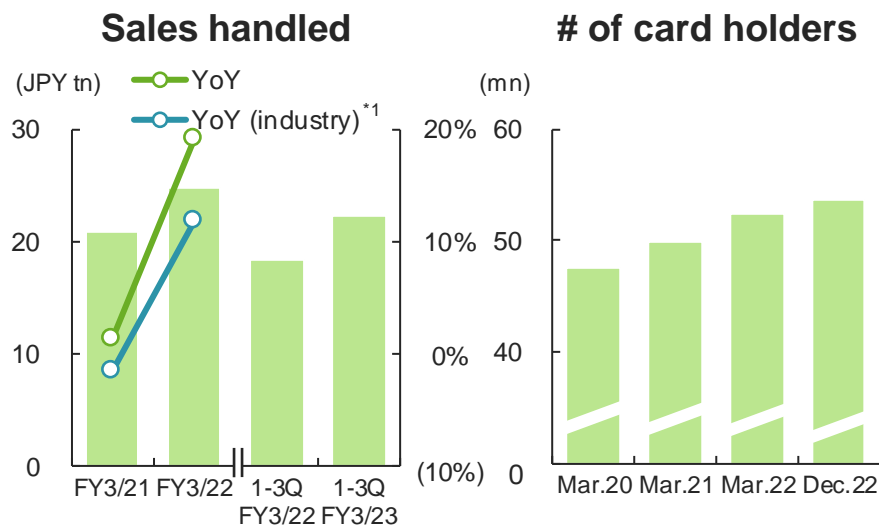
		(JPY bn)	FY3/22	1-3Q FY3/23	YoY*1
Retail	Gross profit		1,146.9	848.0	(22.8)
	Expenses		935.5	686.2	(8.1)
	<i>Overhead Ratio</i>		81.6%	80.9%	+1.2%
	Net business profit		214.9	164.8	(13.6)
Wholesale	Gross profit		707.5	556.4	+16.1
	Expenses		303.6	219.5	(7.5)
	<i>Overhead Ratio</i>		42.9%	39.5%	(2.6)%
	Net business profit		469.7	389.6	+29.4
Global	Gross profit		872.0	917.8	+126.7
	Expenses		461.3	470.3	+53.0
	<i>Overhead Ratio</i>		52.9%	51.2%	(1.5)%
	Net business profit		431.2	516.2	+108.1
Global Markets	Gross profit		390.6	371.5	+14.3
	Expenses		92.3	82.8	+5.1
	<i>Overhead Ratio</i>		23.6%	22.3%	+0.5%
	Net business profit		338.1	311.6	+11.5

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

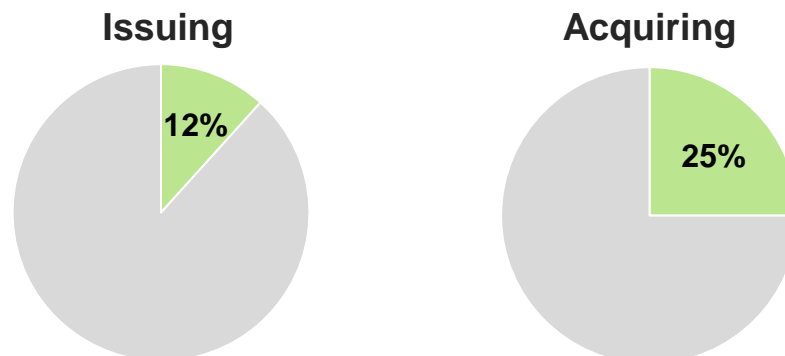
Financial results

(JPY bn)	FY3/22	1-3Q FY3/23	YoY
Operating revenue	470.5	387.3	+36.1
o/w Commission fee	164.0	144.0	+21.2
Finance	98.2	76.9	+3.2
Sales on credit	29.5	21.2	(1.3)
Receipt agency	50.1	39.0	+1.5
Operating expense	439.5	348.5	+32.4
o/w Expenses for loan losses	25.6	23.2	+5.4
Expense for interest repayments	10.0	-	-
Ordinary profit (loss)	34.1	38.8	+0.5
Net income	19.8	26.4	+1.8
Finance outstanding	677.9	718.0	

Key figures



Market share^{*2}



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

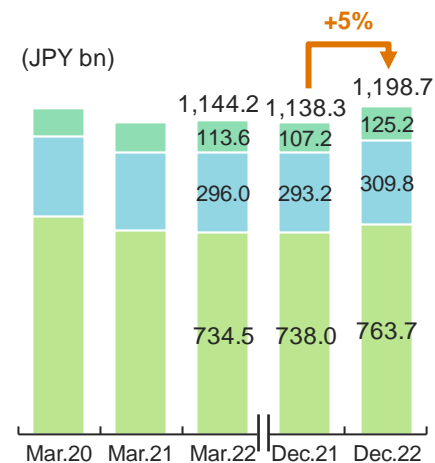
*2 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2021 : JPY 68 tn)

Financial results

(JPY bn)	FY3/22	1-3Q FY3/23	YoY ^{*1}
Operating income	268.9	221.5	+18.3
o/w Interest revenues	176.7	137.9	+4.4
Loan guarantee revenues	57.1	53.6	+10.7
Operating expenses	200.5	145.6	+7.6
o/w Expenses for loan losses	48.7	46.8	+4.5
Expense for loan guarantees	10.8	5.4	(1.3)
Expenses for interest repayments	22.0	-	-
Ordinary profit	68.6	68.9	+3.6
Net income	85.2	55.4	+1.6
NPLs	96.1	107.5	
(NPL ratio)	8.40%	8.97%	
Allowance on interest repayments (provision)	95.9	77.5	
	3.5 yrs	3.1 yrs	

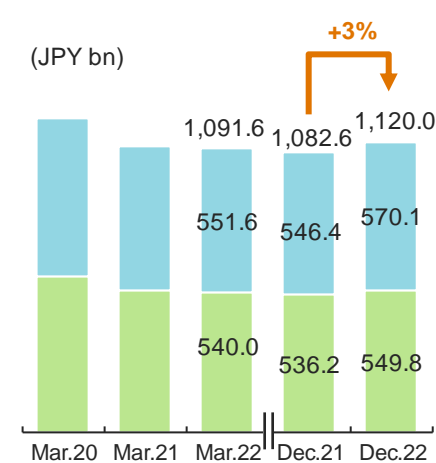
Consumer loans

■ Promise (overseas) ■ Mobit ■ Promise

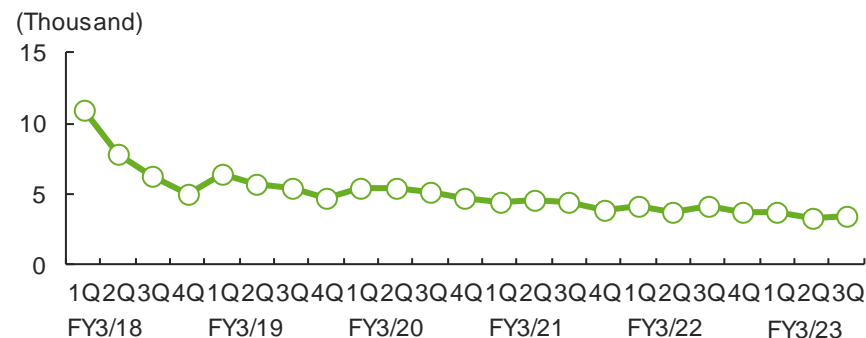


Loan guarantee

■ SMBC ■ Others



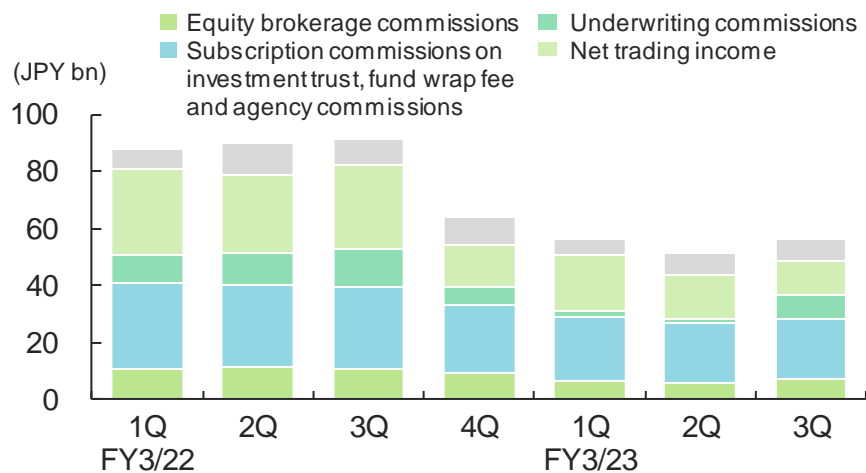
No. of interest refund claims



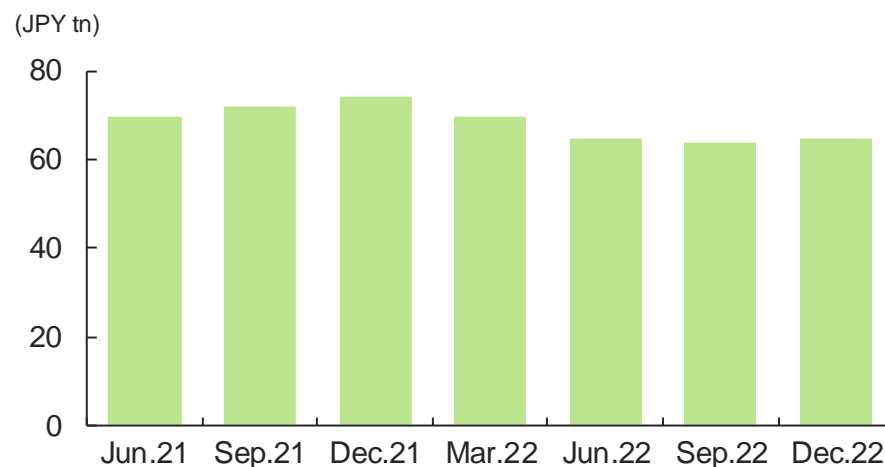
Financial results

(JPY bn)	FY3/22	1-3Q FY3/23	YoY
Net operating revenue	334.2	164.2	(105.8)
SG&A expenses	275.4	192.0	(17.0)
Ordinary income	65.3	(26.8)	(92.8)
Net income	49.7	(24.4)	(72.2)

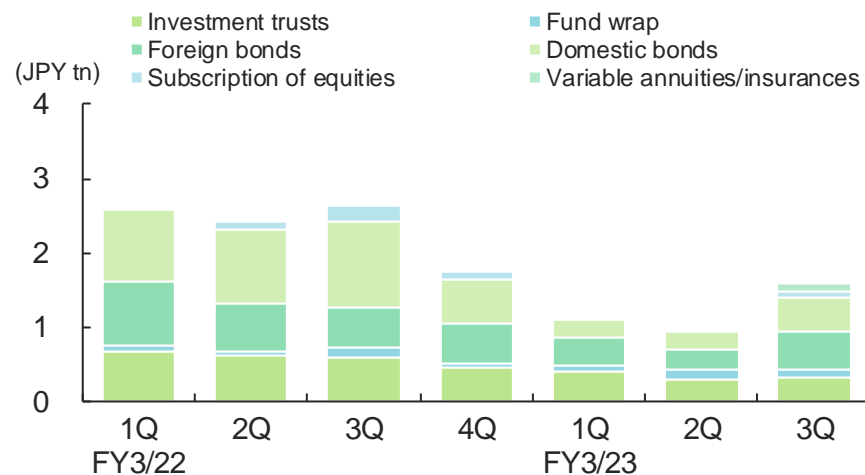
Net operating revenue



Client assets

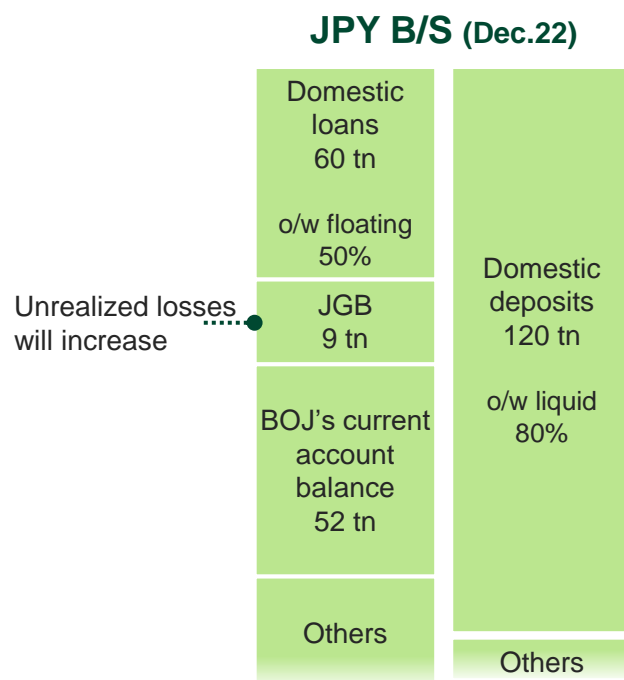


Product sales



Appendix

B/S impact from rise of interest rate in Japan *1



Short term rate: Net interest income +JPY 30 bn
mainly from loans interest income

Mid-to long-term rate: Expect further improvement
incl. profit from market operation

<Simulation scenario>

- Interest rate: policy rate 0%, 5Y 0.5%, 10Y 1.0%
(Dec.22: policy rate (0.1)%, 5Y 0.23%, 10Y 0.41%)
- Interest on BOJ's basic balance: unchanged at 0.10%

Share buyback

Progress of buyback (Until the end of Dec. 2022)

Aggregate number of shares repurchased	11,075,900 shares (18.2%)
Aggregate amount repurchased	JPY 51.83 bn (25.9%)

(Ref.) Press release in Nov. 2022

Aggregate number of shares	Up to 61,000,000 shares
Aggregate amount	Up to JPY 200 bn
Repurchase period	From November 15, 2022 to May 31, 2023