

Investors Meeting 1H FY3/2020

November 19, 2019



2019 Award for Excellence
in Corporate Disclosure
— Industries —
SAAJ The Securities Analysts
Association of Japan



SUMITOMO MITSUI
FINANCIAL GROUP

Good morning everyone.

Thank you very much for your interest in us and your ongoing support.

First, I have some good news that I would like to share with you.

As shown on the right-bottom of the slide, we won the 2019 Award for Excellence in Corporate Disclosure in the banking industry from the Securities Analysts Association of Japan, as well as the 2019 Best IR Award from the Japan Investor Relations Association.

It is the second time for SMFG to win either award. However, for me personally, this is the first time to win both of the awards since I became CFO in 2015.

I believe Investor Relations activities are not only about disclosing meaningful information to investors and analysts, but also about giving me the opportunity to obtain insights from the investors community to enhance the corporate value of SMFG through interactive and constructive communication.

That is why I consider Investor Relations activities as one of the most important missions both as CFO and now as CEO. I am very proud of winning these two awards.

Of course, we could not have won them without your continuous support. We will do our best to further enhance our disclosure.

Please turn to page 3.

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 + Cedyne
SMBCCF	SMBC Consumer Finance
SMAM	Sumitomo Mitsui Asset Management
SMDAM	Sumitomo Mitsui DS Asset Management
SMBC AC	SMBC Aviation Capital

Consolidated	SMFG consolidated
Non-consolidated	SMBC non-consolidated
Expenses (non-consolidated)	Excludes non-recurring losses
Net business profit	Before provision for general reserve for possible loan losses

Retail Business Unit	Domestic retail and SME businesses SMBC, SMBC Trust, SMBC Nikko, SMCC, SMBCCF
Wholesale Business Unit	Domestic large/mid-size corporation business SMBC, SMBC Trust, SMFL, SMBC Nikko
International Business Unit	International business SMBC, SMBC Trust, SMFL, SMBC Nikko
Global Markets Business Unit	Market / Treasury related businesses SMBC, SMBC Nikko
Large corporations	Global Corporate Banking Division
Mid-sized corporations & SMEs	Corporate Banking Division and SMEs covered by Retail Banking Unit

Exchange rates (TTM)

	Sep. 18	Mar. 19	Sep. 19
USD	JPY 113.58	JPY 111.00	JPY 107.93
EUR	JPY 132.15	JPY 124.55	JPY 118.01



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Agenda

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Appendix

This is today's agenda.

First, I will summarize our financial results of 1H, FY3/20 and talk about the revision of the earnings target of FY3/20.

Next, I will talk about the progress of the Medium-Term Management Plan and strategic initiatives, followed by ESG, capital policy, and the corporate culture reform that I have been working on since I became CEO.

Please turn to page 5.

I. Financial results

1. Income statement

● Profit attributable to owners of parent reached 62% of the full-year target.

- Strong performance in Global Markets offset the sluggish performance of the remaining business units.
- Recorded lower than expected credit costs and higher than expected gains on stocks.

	1H (JPY bn)	FY3/20	YoY	vs May target
1 Consolidated gross profit	1,383.2	(76.8)		
G&A expenses	858.7	+6.2		
Overhead ratio	62.1%	+3.7%		
3 Equity in gains (losses) of affiliates	Progress 30.1	(2.9)		
4 Consolidated net business profit	47% 554.6	(85.8)	+14.6	
5 Total credit cost	64.4	+59.4	(35.6)	
6 Gains (losses) on stocks	70.3	+18.4		
7 Ordinary profit	558.4	(121.8)	+98.4	
8 Extraordinary gains (losses)	20.6	+25.7		
9 Income taxes	135.7	(25.8)		
10 Profit attributable to owners of parent	62% 432.0	(40.7)	+92.0	
11 ROE	9.4%	(1.3)%		

- **Consolidated gross profit** : decreased YoY due to yen appreciation and the sluggish performance in the wealth management business while the Global Markets Business Unit showed strong performance recording gains on sales of bonds with the decline of overseas interest rates.
- **G&A expenses** : increased YoY due to continued overseas expenditures and the increase of revenue-linked variable cost in the credit card business.
- **Equity in gains of affiliates** : decreased YoY due to provisions for loan losses at The Bank of East Asia (JPY (8) bn).
- **Total credit cost** : increased YoY mainly due to the absence of reversals from large borrowers recorded last year.
- **Gains on stocks** : gains on sales of strategic shareholdings increased (JPY 58 bn, YoY JPY +14 bn).
- **Extraordinary gains** : recorded gains on step acquisitions on the merger of SMAM and Daiwa SB Investments (JPY 22 bn).

Impact of group reorganization¹

(JPY bn)

Consolidated gross profit	(46)	Consolidated net business profit	(35)
G&A expenses	(12)	Profit attributable to owners of parent	+22
Equity in gains (losses) of affiliates	(1)		



¹ YoY impact from the deconsolidation of the regional banks and SMFL (now an equity method affiliate), the consolidation of BTPN, SMCC becoming a wholly-owned subsidiary, the merger of SMAM and Daiwa SB Investments and the deconsolidation of SMM Auto Finance, Inc.

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This is the income statement summary for 1H, FY3/20.

Profit attributable to owners of parent reached 62% of the full-year target.

Consolidated net business profit was ¥554.6 billion. Performance of the retail, wholesale, and international business units was sluggish due to the market conditions, while the Global Markets Business Unit showed strong performance recording gains on sales of bonds with the decline of overseas interest rates.

On the other hand, profit attributable to owners of parent was ¥432.0 billion, due to lower than expected credit costs and higher than expected gains on sales of strategic shareholdings.

Please turn to page 7.

■ (Ref.) Group companies

SMBC

	(JPY bn)	1H FY3/20	YoY	vs May target
1 Gross banking profit		735.8	+31.3	
2 o/w Net interest income		441.2	(44.6)	
3 o/w Gains (losses) on cancellation of investment trusts		10.0	(30.5)	
4 Domestic		277.4	(54.8)	
5 Overseas		163.8	+10.2	
6 o/w Net fees and commissions		150.7	(6.4)	
7 Domestic		80.7	(4.0)	
8 Overseas		70.0	(2.4)	
9 o/w Net trading income+ Net other operating income		143.0	+82.4	
10 o/w Gains (losses) on bonds		85.9	+87.6	
11 Expenses		402.8	+0.3	
12 Banking profit		333.0	+31.1	+58.0
13 Total credit cost		8.4	+64.7	(26.6)
14 Gains (losses) on stocks		73.0	+23.7	
15 Extraordinary gains (losses)		(105.5)	(106.2)	
16 Net income		194.0	(106.9)	+4.0

Provision of investment loss
for The Bank of East Asia:
JPY (100) bn^{*1}

Other major group companies

(left : 1H FY3/20 / right : YoY)

(JPY bn)	SMCC	SMBC Nikko ^{*2}	SMBCCF
Gross profit	209.0 +17.7	150.5 (25.3)	137.0 +3.3
Expenses	157.8 +9.9	131.1 (9.5)	56.0 +0.9
Net business profit	51.4 +7.9	19.5 (15.8)	81.0 +2.4
Net income	31.5 +9.7	15.0 (10.8)	40.4 +11.0

(Equity method affiliate)

	SMBC Trust	SMDAM ^{*3} 50%	SMFL ^{*4} 50%
Gross profit	25.2 +0.7	18.0 +4.8	90.9 (4.7)
Expenses	24.4 (2.7)	15.8 +7.1	42.0 (2.5)
Net business profit	0.8 +3.4	2.2 (2.4)	51.4 (0.5)
Net income	0.7 +4.4	1.0 (2.0)	34.2 +2.8



^{*1} Eliminated in consolidated figures ^{*2} Excludes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG)
^{*3} YoY excludes figures of Daiwa SB Investments in FY3/19 ^{*4} Managerial accounting basis

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2. FY3/2020 target

- The target of profit attributable to owners of parent is unchanged, while the target of consolidated net business profit is revised downward.

	Results		Target
	(JPY bn)	FY3/19	FY3/20 vs May target
Consolidated	Consolidated net business profit	1,192.3	1,135 (45)
	Total credit cost	110.3	200 -
	Ordinary profit	1,135.3	1,000 -
	Profit attributable to owners of parent	726.7	700 -
Non-consolidated	Banking profit	584.1	600 (10)
	Total credit cost	(2.2)	70 -
	Ordinary profit	649.6	490 (60)
	Net income	477.4	330 (60)

Consolidated net business profit :

The target is revised downward mainly due to the downturn in the wealth management business and the impact of FX rates. However, it is expected to exceed the previous year, excluding the impact of group reorganization (YoY JPY (60) bn).

Profit attributable to owners of parent :

The target is unchanged due to the expected increase of gains on sales of strategic shareholdings.

Assumption of FX rates

	Original	Revised
USD	JPY 110	JPY 105
EUR	JPY 130	JPY 117



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Here is the financial target for FY3/20.

The target of consolidated net business profit was revised downward to ¥1,135 billion, lower by ¥45 billion than the original target.

At the beginning of this fiscal year, we anticipated that the market environment would gradually recover after the significant downturn in 2H FY3/19.

Therefore, we set the target of net business profit at ¥640 billion in 2H, ¥100 billion higher than the 1H.

However, top-line revenues in 1H was sluggish mainly because the retail, wholesale, and the international business units suffered from weak market conditions including yen appreciation, slow growth in the Nikkei stock market, and the trade war between the U.S. and China.

I have been saying from the beginning of the year that we will flexibly respond to the change of business environment.

We now believe the business environment will continue to be unclear and that is why we revised the target of consolidated net business profit.

Roughly saying, the downward revision includes profit reduction of ¥250 billion from the wealth management business and ¥200 billion from yen appreciation.

However, the revised target is still slightly higher than the results of FY3/19 after excluding the impact of group reorganization.

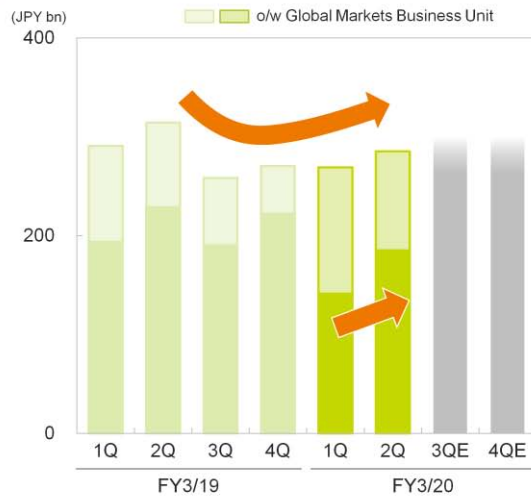
On the other hand, the target of profit attributable to owners of parent is unchanged at ¥700 billion. This is mainly due to expected increase of gains on sales of strategic shareholdings.

Next, I would like to talk about the progress of the Medium-Term Management Plan and strategic initiatives. Please turn to page 19.

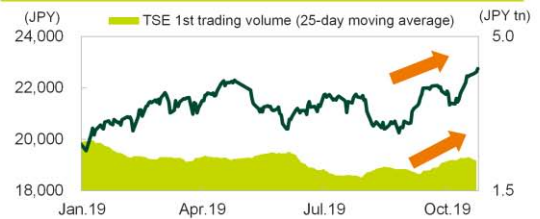
■ (Ref.) Trend of business profit

- Consolidated net business profit has been gradually increasing after a big drop in 3Q, FY3/19.
- Recent trend is upward even after excluding profit from Global Markets.

Consolidated net business profit*1



Nikkei average and trading volume



Domestic bond issuance*2



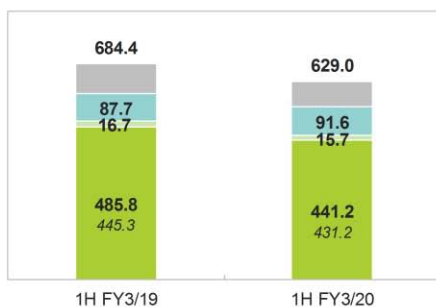
*1 Excluding the impact of group reorganization *2 four-quarter moving average

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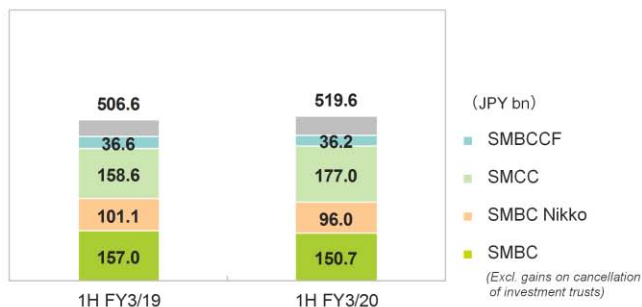
3. Consolidated gross profit

(JPY bn)	1H FY3/20			YoY ^{*1}		
	Consolidated	Non-consolidated	Variance	Consolidated	Non-consolidated	Variance
Consolidated gross profit	1,383.2	735.8	647.4	(76.8)	+31.3	(108.1)
Net interest income	629.0	441.2	187.8	(55.4)	(44.6)	(10.8)
Trust fees	2.1	0.9	1.2	(0.1)	(0.1)	+0.0
Net fees and commissions	519.6	150.7	368.9	+13.0	(6.4)	+19.4
Net trading income + Net other operating income	232.5	143.0	89.5	(34.3)	+82.4	(116.7)

Net interest income



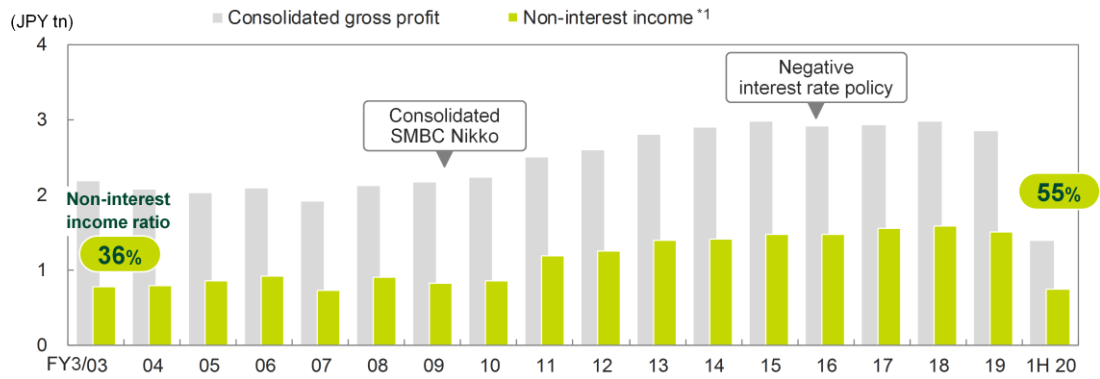
Net fees and commissions



*1 Includes the decrease coming from group reorganization

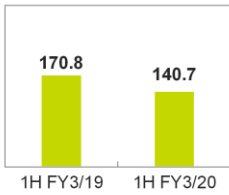
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■ (Ref.) Non-interest income

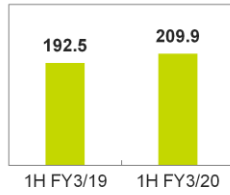


■ Major items (JPY bn)

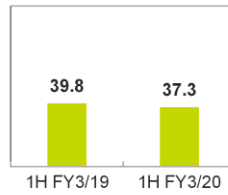
Wealth management



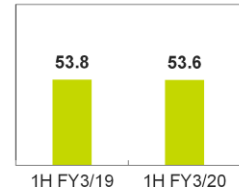
Payment business



Structured finance, Loan syndication, real estate finance



Loan related fees (overseas)



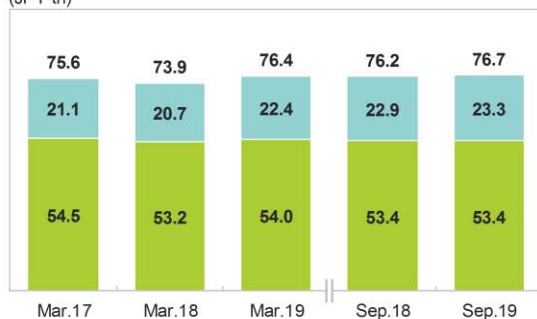
*1 "Consolidated gross profit" minus "Net interest income"

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4. Loans^{*1}

Loan balance

(JPY tn)



Of which loans to the Japanese government, etc. and SMFG

3.5 tn 2.8 tn 2.7 tn 2.8 tn 2.5 tn

Breakdown of change from Mar.19 to Sep.19

Domestic offices excl. Japan offshore banking accounts	(0.6)
excl. loans to the Japanese government, etc. and SMFG	(0.4)
Overseas offices and Japan offshore banking accounts	+0.9
after adjustment for changes in exchange rate	+1.7
Total	+0.3

Domestic loan-to-deposit spread

	1H FY3/20	YoY	1Q	2Q
Interest earned on loans and bills discounted (%)	0.91	(0.04)	0.92	0.90
Interest paid on deposits, etc.	0.00	(0.00)	0.00	0.00
Loan-to-deposit spread	0.91	(0.04)	0.92	0.90

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

Interest earned on loans and bills discounted	0.94	(0.04)	0.94	0.93
Loan-to-deposit spread	0.94	(0.04)	0.94	0.93

Average loan balance and spread^{*2}

	Balance (JPY tn)		Spread (%)	
	1H FY3/20	YoY ^{*4}	1H FY3/20	YoY
Domestic loans	52.2	+0.5	0.74	(0.03)
Excluding loans to the Japanese government, etc.	49.5	+0.7	0.77	(0.03)
o/w Large corporations	15.6	+0.7	0.53	+0.01
Mid-sized corporations & SMEs	17.7	+0.2	0.62	(0.04)
Individuals	13.0	(0.5)	1.40	(0.04)
IBU's interest earning assets ^{*3}	303.7 USD bn	+16.5 USD bn	1.11	(0.00)



^{*1} Non-consolidated ^{*2} Managerial accounting basis ^{*3} Sum of SMBC, SMBC Europe, SMBC Bank EU, SMBC (China) and SMBC Trust, etc. Sum of loans, trade bills, and securities ^{*4} After adjustments for exchange rates, etc.

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5. Domestic loans and deposits*1

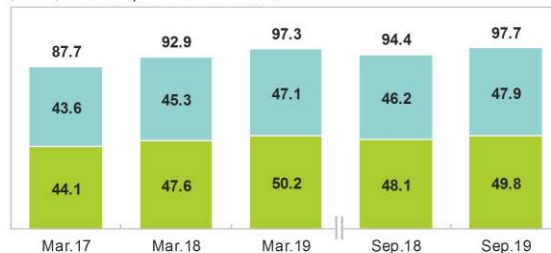
Domestic loan balance*2

(JPY tn) ■ Large corporations ■ Mid-sized corporations and SMEs ■ Individuals



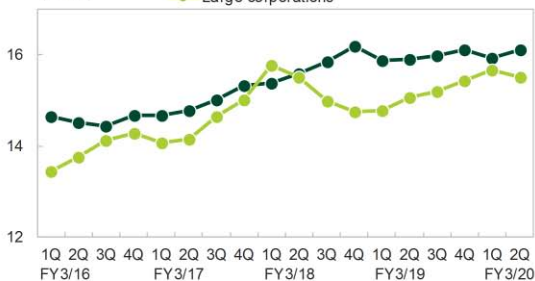
Domestic deposit balance

(JPY tn) ■ Corporates ■ Individuals



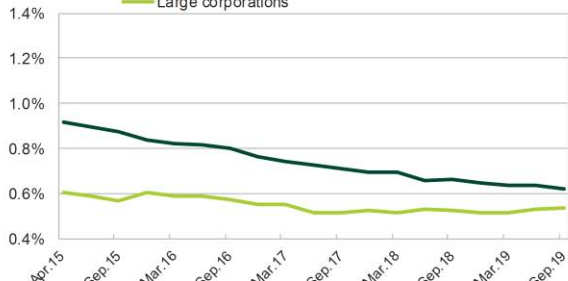
Domestic corporate loan balance*2,3

(JPY tn) ● Mid-sized corporations and SMEs ● Large corporations



Domestic corporate loan spread*2,4

— Mid-sized corporations and SMEs — Large corporations

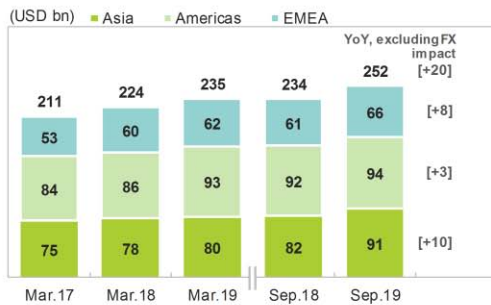


*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average, excludes loans to the Japanese government. Figures for SMEs are the outstanding balance of CBD
*4 Monthly average loan spread of existing loans, excludes loans to the Japanese government

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6. Overseas loans and deposits

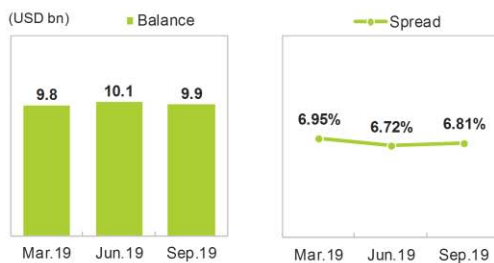
Overseas loan balance*¹



Overseas loan spread*^{1,2}



BTPN



Foreign currency funding*¹



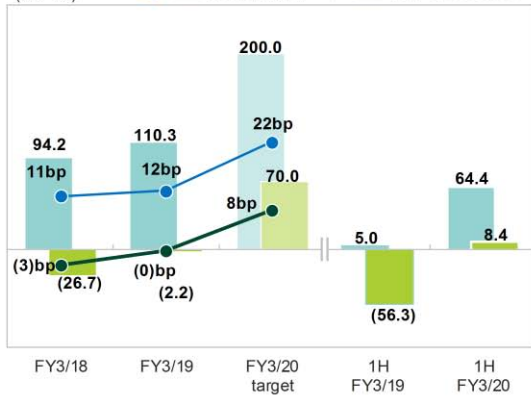
*¹ Managerial accounting basis. Sum of SMBC, SMBC Europe, SMBC Bank EU and SMBC (China). Excludes BTPN *² Monthly average loan spread of existing loans

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7. Asset quality

Credit costs^{*1}

(JPY bn) Consolidated Non-consolidated



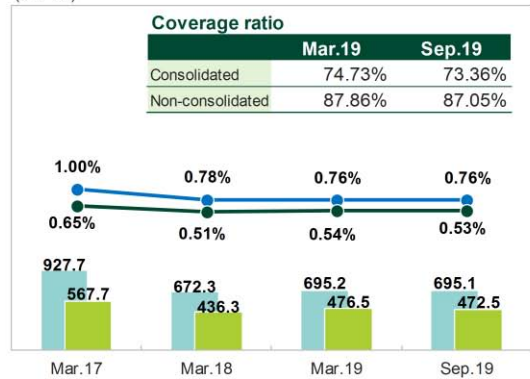
Major Group Companies

(JPY bn)

	1H FY3/20	YoY
SBCCF	34	(9)
SMCC	16	(1)

Non-performing loan balance and ratio^{*2}

(JPY bn) Consolidated Non-consolidated



Total claims

(JPY tn)

	Mar. 19	Sep. 19
Consolidated	74.73%	73.36%
Non-consolidated	87.86%	87.05%

Claims on borrowers requiring caution (excludes claims to Substandard borrowers)

	Mar. 19	Sep. 19
Non-consolidated	1.3	0.8



^{*1} Total credit cost ratio = Total credit cost / Total claims

^{*2} NPL ratio = NPLs based on the Financial Reconstruction Act (excludes normal assets) / Total claims

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8. Securities

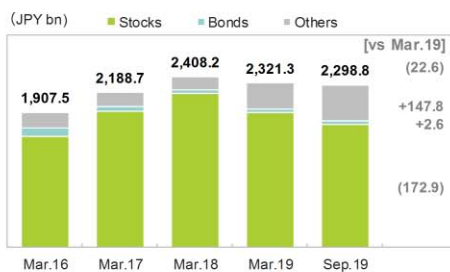
Bond portfolio

	(JPY tn)	Mar.19		Sep.19	
		Balance sheet amount	Net unrealized gains (losses)	Balance sheet amount	Net unrealized gains (losses)
Consolidated	Yen-dominated bonds	9.3	0.06	11.8	0.06
	o/w JGB	6.5	0.02	8.8	0.02
	Held-to-maturity	0.3	0.00	0.3	0.00
	Others	6.2	0.02	8.5	0.02
	Foreign bonds	9.0	(0.03)	9.5	0.05
Non-consolidated	Yen-denominated bonds (duration ^{*1})	9.0 (3.2 yrs)	0.06	11.4 (2.4 yrs)	0.06
	o/w JGB	6.3	0.02	8.5	0.02
	Held-to-maturity	0.0	0.00	-	-
	Others	6.2	0.02	8.5	0.02
	Foreign bonds (duration ^{*1})	7.1 (5.3 yrs)	(0.03)	7.3 (5.4 yrs)	0.03

Strategic shareholdings

(JPY bn)	results
Total reduction	404
- FY3/17	115
FY3/18	115
FY3/19	130
1H FY3/20	44
Consent of sales from clients outstanding	85

Unrealized gains (losses) on other securities^{*2}



^{*1} Excludes 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.
^{*2} Consolidated

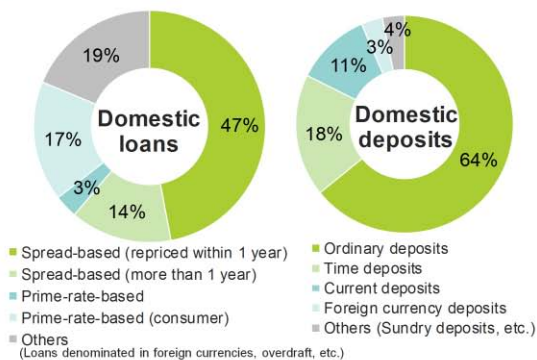
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9. Balance sheet

Consolidated

	(JPY bn)	Sep.19	vs Mar. 19
Total assets		209.4	+5.8
o/w Cash and due from banks		57.7	+0.3
o/w BOJ's current account balance ^{*1}		46.6	(0.6)
o/w Loans		78.7	+0.7
o/w Domestic loans ^{*1}		53.4	(0.6)
o/w Large corporations ^{*2}		15.6	(0.4)
Mid-sized corporations & SMEs ^{*2}		18.0	(0.1)
Individuals ^{*2}		12.8	(0.3)
o/w Securities		27.1	+2.7
o/w Other securities		26.6	+2.8
o/w Stocks		3.3	(0.2)
JGBs		8.5	+2.3
Foreign bonds		9.5	+0.5
Total liabilities		198.2	+6.0
o/w Deposits		122.6	+0.2
o/w Domestic deposits ^{*1}		97.7	+0.5
Individuals		47.9	+0.8
Corporates		49.8	(0.3)
o/w NCD		11.5	+0.3
Total net assets		11.2	(0.2)
Loan to deposit ratio		58.7%	

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



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

	(USD bn)
Interest earning assets	322
Others	106
Foreign bonds, NCD	59
Deposits (incl. deposits from central banks)	226
Mid-to long-term funding (incl. corporate bonds, currency swaps, etc.)	119
CD/CP	64
Interbank (incl. Repo)	76
Assets / Liabilities	486



^{*1} Non-consolidated ^{*2} Managerial accounting basis ^{*3} After adding back the portion of housing loans securitized in 1H FY3/20 of JPY 68.0 bn
^{*4} Sum of SMBC, SMBCE, SMBC Bank EU and SMBC (China)

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A decorative graphic on the right side of the page, consisting of a vertical column of squares of various sizes and shades of gray, some overlapping, creating a modern, architectural feel.

II. Progress of Medium-Term Management Plan and strategic initiatives

1. Progress of Medium-Term Management Plan

SMBC Group Next Stage

To achieve sustainable growth by combining the Group's strengths with more focused business management

1 Discipline

- Transforming business portfolio
- Cost control

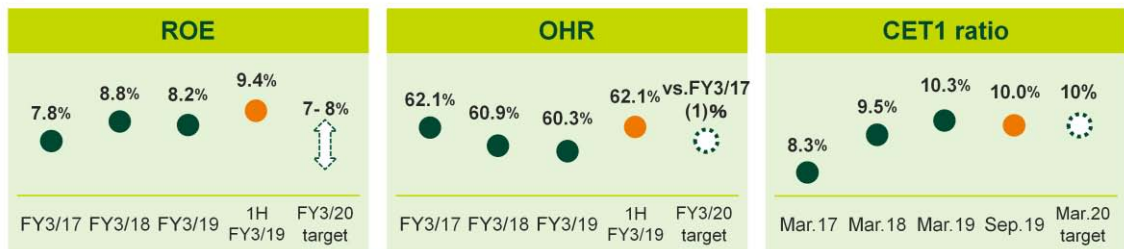
2 Focus

- Focusing on strategic business areas
- Promoting digitalization such as cashless payment

3 Integration

- Sophisticating group management
- ESG / SDGs initiatives

Financial targets



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This is the progress of the Medium-Term Management Plan.

ROE and CET1 ratio are on good track to meet the target as shown on the bottom.

On the other hand, OHR was 62.1% in 1H mainly due to lower than expected top-line revenues.

From the next page, I will explain each initiative in detail.

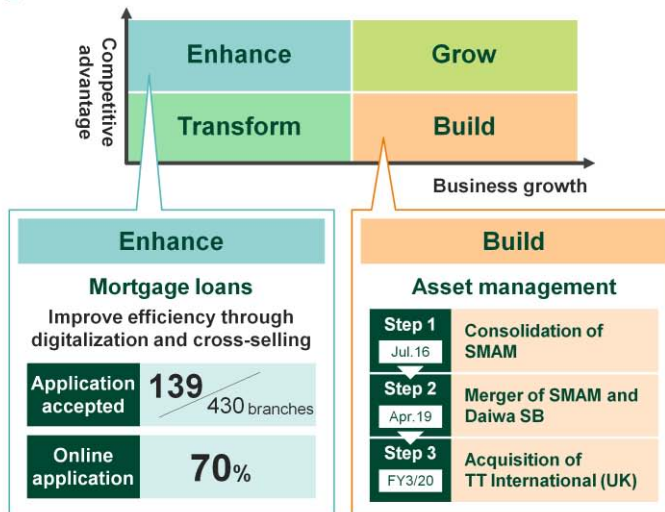
2. Transformation of business and asset portfolio

- Prioritize business areas when allocating resources to enhance capital efficiency.

Group reorganization

	Bottom-line profit	RWA
Merger of SMBC Nikko and SMBC Friend	Realize synergies	
Deconsolidation of the Kansai regional banks	(1)%	(5)% ^{*2}
Deconsolidation of SMFL	Strengthen core business areas	(4)% ^{*2}
Consolidation of BTPN	+ JPY10bn ^{*1}	Negligible impact
Merger of SMAM and Daiwa SB	Realize synergies	
Making SMCC a wholly owned subsidiary	+ JPY10bn ^{*1}	

Business model reforms



^{*1} Impact from the change of ownership ratio based on FY3/19 results (excluding one-time impact) ^{*2} Post-Basel III reforms basis

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First, let me talk about transformation of business and asset portfolio.

The left shows our progress for group reorganization. Through these transactions, we have been able to optimize the group structure and improve asset and capital efficiency.

In addition, we categorized our business portfolio into four quadrants, based on our competitive advantage and business growth potential.

The right shows examples of initiatives in line with this classification.

For example, mortgage loans categorized as "Enhance" has low potential of growth because of competition, while we have competitive advantage. Therefore, we are trying to manage this business as efficient as possible.

In order to approach good customers efficiently, we are promoting online application while reducing the number of branches where applications are accepted.

Asset management is an example of "Build", which we are trying to build up because we don't have the competitive advantage despite its high growth potential.

After strengthening our domestic base, we announced in August the acquisition of TT International, a U.K.-based firm with strengths in Asia and emerging countries. This is our first step to operate the asset management business overseas.

3. Cost control

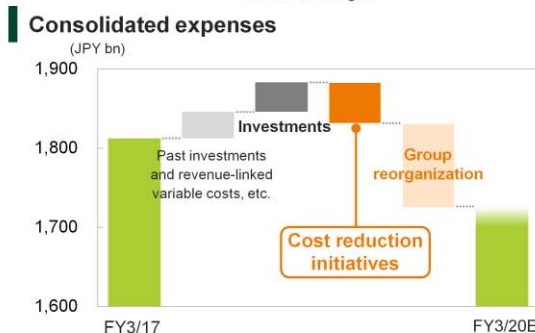
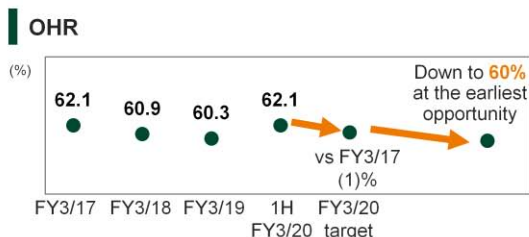
- Reduced cost by JPY 46.5 bn. Expected to exceed the target of JPY 50 bn for FY3/20.
- OHR rose due to the downturn in top-line revenues.
Enhance cost control aiming to reach the financial target of the Medium-Term Management Plan.

Initiatives	- 1H FY3/20 results	FY3/20 target
Business reforms to improve efficiency	JPY 22.0 bn	JPY 20 bn
Retail branch reorganization	JPY 14.5bn	JPY 20 bn
Reorganization of group companies	JPY 10.0 bn	JPY 10 bn

Expected in FY3/20 **JPY 50 bn + α**

Headcount reduction 4,300 people domestically (attrition)

World's top-class usage of RPA	
- 1H FY3/20	2.9 mn hours (1,450 people)
FY3/20 target	3.0 mn hours (1,500 people)
	Target raised 3.5 mn hours (1,750 people)



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Here is a summary of our cost control measures.

We already achieved an annual reduction of ¥46.5 billion in 1H, FY3/20 through the key initiatives we have been working on and expect to exceed the three-year target of ¥50 billion in FY3/20.

In terms of personnel, we expect to reduce about 4,300 of headcount domestically during the three years.

The top right shows the transition of OHR. OHR in 1H, FY3/20 was higher than that in FY3/19 due to the downturn in top-line revenues.

You may be concerned that I am not interested in cost control because our OHR rose right after I took over as CEO from Mr. Kunibe. However, this is not true.

Since when I was CFO, I believed that cost control is essential to maintain efficiency, one of our core strengths.

As shown on the bottom right, consolidated expenses is expected to decline over the three years, due to the transformation of business portfolio including group reorganization as well as the cost reduction initiatives.

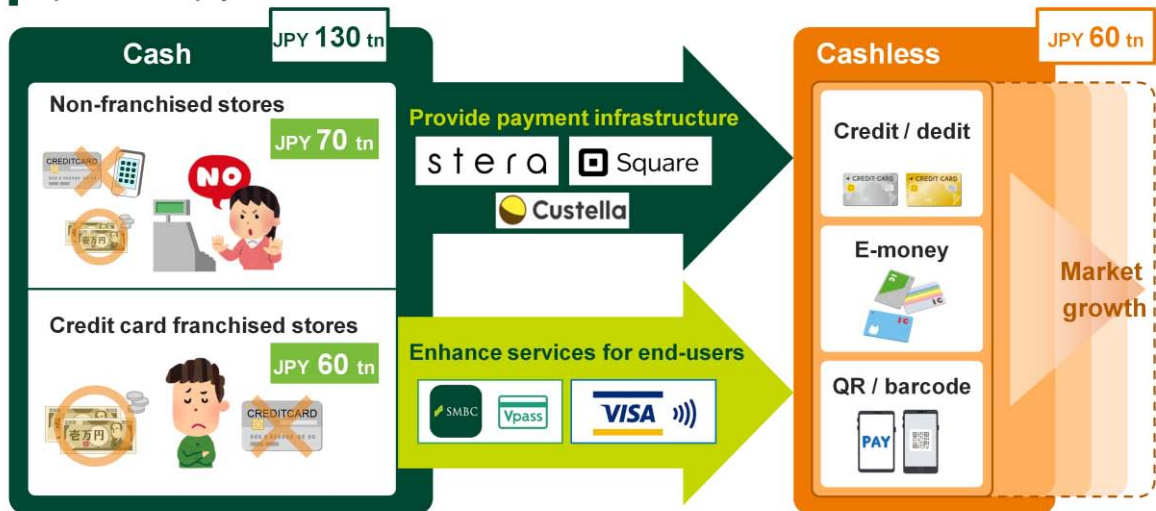
Nevertheless, as the business environment remains challenging for us, we will continue fundamental reforms of cost structure even in the next Medium-Term Management Plan.

I would like to introduce these specific initiatives in May 2020 when we announce our new Medium-Term Management Plan.

■ 4. Cashless payment strategy

- Evolve the cashless payment market in Japan through initiatives that benefit both the merchants and end-users.

Japanese retail payment market



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This slide explains our cashless payment strategy.

Our strategy is to shift the huge cash payment market of ¥130 trillion to cashless payment as being the leading company in the Japanese cashless payment market.

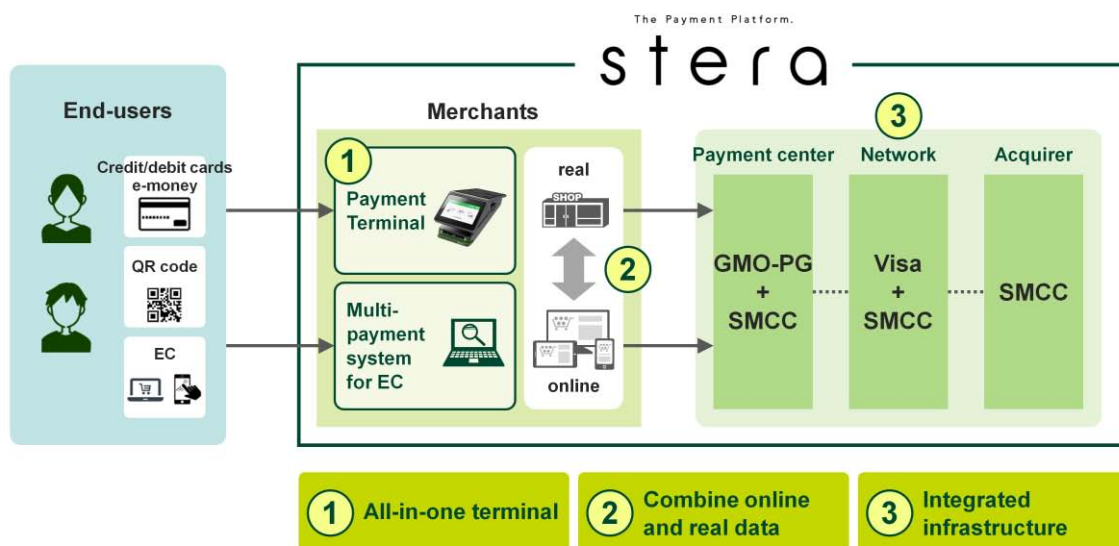
For merchants, we will promote a shift to cashless payment by providing payment infrastructures such as "stera" and "Custella," which will be explained later.

For end-users, we will improve convenience of customers by renewing mobile apps and adding touch function on credit cards.

4. Cashless payment strategy

(1) Next-generation platform “stera”

- Introduced “stera”, which is a comprehensive payment platform that offers one-stop cashless payment service.



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Today, I will briefly introduce the new services we have recently announced.

First is our next-generation payment platform, “stera.”

In Japan, payment centers, networks, and acquirers are operated by different companies. The payment system is also separated between real and online stores. This has been an obstacle for merchants to implement cashless payment.

“stera” is a new payment platform developed jointly by GMO-PG, Visa, and SMCC. It provides a one-stop solution combining payment systems of real and online stores, and also integrates the payment center and network. Another point is that “stera” can be used for all types of cashless payment methods.

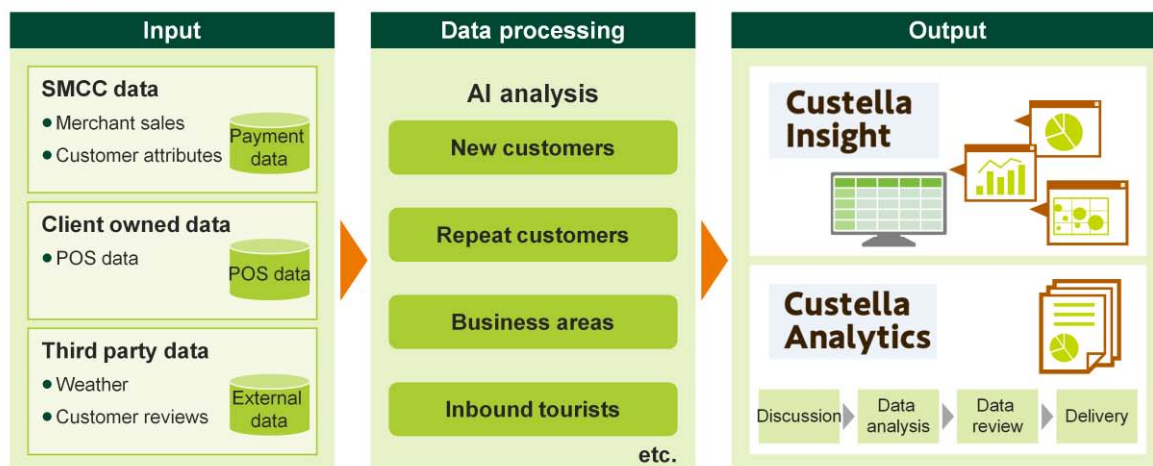
As a result, merchants can unitarily manage a variety of payment methods for both real and online stores. In addition, a single payment terminal can accept any type of cashless payment.

We are aiming to increase our acquiring volume from ¥10 trillion to ¥30 trillion over the next five to ten years by leveraging stera's advanced services, in-house payment platform, and cost-competitiveness leveraged by economies of scale.

4. Cashless payment strategy

(2) Data analysis support service “Custella”

- Utilizing cashless data to support marketing activities of merchants and local governments.



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Next is “Custella”, a data analysis support service. “Custella” comes from “customer” and “intelligence.”

Companies have been accumulating various types of data as we enter into an information society. Now, utilization of data is becoming the key to strengthen competitiveness for companies.

On the other hand, there are many companies that don't know how to use their data effectively or don't have enough data to analyze.

"Custella" is a tool for aggregating and visualizing SMCC's data from a variety of perspectives, such as customer attributes and purchasing behaviors.

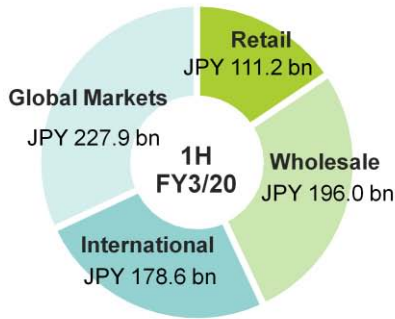
This is the first service in Japan to analyze customers' behavior from cashless data.

There are two types of services as shown on the right : "Custella Insight," a standard service and "Custella Analytics," a custom-made service.

Together with “Custella,” SMCC will help clients to resolve various marketing issues leveraging SMCC's expertise.

5. Initiatives by business unit

Consolidated net business profit^{*1}



ROE^{*2}

	FY3/19	1H FY3/20	FY3/20 target ^{*3}
Retail	7.3%	7.3%	7%
Wholesale	12.1%	11.2%	10%
International	9.3%	9.6%	9%
Global markets	31.8%	43.6%	39%



^{*1} YoY figures are after adjustments for interest rate and exchange rate impacts ^{*2} Excludes impact from the provision for losses on interest repayments and the cost from branch reorganization (Retail), the medium- to long-term foreign currency funding costs (International) and the interest-rate risk associated to the banking account (Global Markets)
^{*3} Target for the Medium-Term Management Plan

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Next, I will explain each business unit, focusing on its main initiatives.
Please turn to page 27.

5. Initiatives by business unit:

Retail

- Both gross profit and net business profit decreased YoY because of the slow recovery of the market environment which deteriorated in 2H FY3/19.

Financial results

(JPY bn)	1H FY3/20	YoY ²
Gross profit	614.2	(15.5)
Income on loans and deposits ^{*1}	73.3	(4.6)
Wealth management business	140.7	(31.2)
Payment business	209.9	+17.5
Consumer finance business	154.0	+1.5
Expenses	503.9	(4.7)
(Overhead ratio)	82.0%	+1.2%
Net business profit	111.2	(10.9)

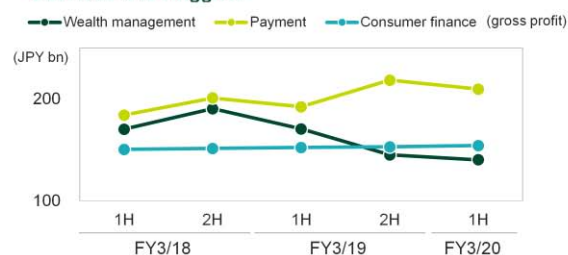
ROE	7.3%	+0.5%
RWA (JPY tn)	12.8	(0.0)

KPI

	1H FY3/19	1H FY3/20
Balance of stock-based assets (JPY tn)	12.5	12.8
Credit card sales handled (JPY tn)	8.6	9.9
Utilization rate for digital channels (%)	26.0	35.4
Balance of card loans (JPY tn)	1.8	1.8

Key points in 1H

- Payment and consumer finance businesses showed solid performance while the wealth management business was sluggish.



^{*1} Excl. consumer finance ^{*2} After adjustments of the changes of interest rates and exchange rates

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5. Initiatives by business unit:

Retail

- Implement measures to lower the break-even point in order to build a business model that can overcome the severe business environment.
- WM business; change the profit structure by shifting to a fee-based AUM business model.

Lowering the break-even point

- Branch reorganization (as of Sep. 2019)



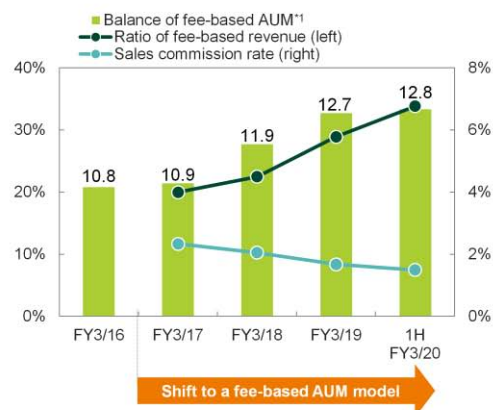
- Sharing the ATM network with MUFG (Started in Sep. 2019)



*1 All figures are for SMBC+SMBC Nikko

Wealth management business

- Steadily increasing fee-based AUM through customer-oriented operations despite the severe business environment.



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First is the retail business unit.

In the retail business, we expect that competition and fee decline will continue mainly due to new market entrants. Therefore, I believe it will be difficult to increase top-line revenues in a significant way in this business.

That is why we are now trying to lower the break-even point.

The left shows the progress of branch reorganization. We have completed the transformation of 333 branches as of the end of September 2019.

We expect to complete transforming all 430 branches by March 2020 as planned.

Cost reduction from branch organization reached ¥14.5 billion annually. Cumulative net cost reduction after investment cost also turned positive.

In addition, we started sharing off-branch ATM network with MUFG bank in September.

Cost reduction is expected by eliminating duplicated locations close to each other.

We will consider expanding this collaboration to in-branch network and other banks.

The right shows the wealth management business. While the business struggled profit-wise, the balance of fee-based AUM has been steadily increasing.

We are aiming to break out from a business model that relies on sales commissions by further increasing fee-based AUM.

5. Initiatives by business unit:

Retail

- Consumer finance business maintains a highly profitable business model with a steady growth trend.

Consumer finance

- Highly profitable business model^{*1}

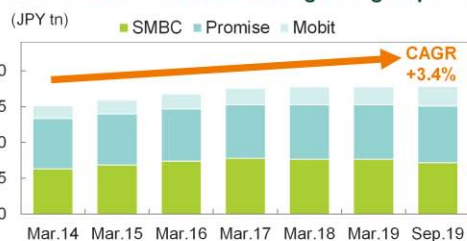


- Spreads maintained at a high level (SMBCCF)



^{*1} Estimated figures for domestic loans of Promise (excluding the guarantee business)

- Card loan balance is increasing on a group basis



- Increase in loans to women and young people with the rise of employments



Next is the consumer finance business.

As I explained in May, being an industry-leader with advanced know-how, the consumer finance business maintains a highly profitable business model even in a low interest rate environment and its earnings contribution to the retail business unit is quite high.

The right shows the card loan balance on a group basis. It has been steadily increasing by meeting healthy borrowing needs from individuals.

5. Initiatives by business unit:

Wholesale

- Maintained high ROE. Good progress in KPI.

Financial Results

	1H FY3/20	YoY ^{*1}
(JPY bn)		
Gross profit	311.4	(2.1)
Income on loans and deposits	95.0	(0.5)
S FX and money transfer fees	53.9	+0.6
M Loan syndication	15.4	+0.8
B Structured finance	17.2	(3.8)
C Real estate finance	4.7	+0.3
Securities business	45.0	+4.2
Expenses	139.6	(2.3)
(Overhead ratio)	44.8%	(0.5)%
Net business profit	196.0	+0.3
ROE	11.2%	(1.9)%
RWA (JPY tn)	16.8	+0.2

KPI

	1H FY3/19	1H FY3/20
Japanese corporate bonds (%)	18.1	19.4
IPO deals	#3	#1
M&A advisory deals	#1	#1

Key points in 1H

- Showed good performance in the securities business in a severe business environment.



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

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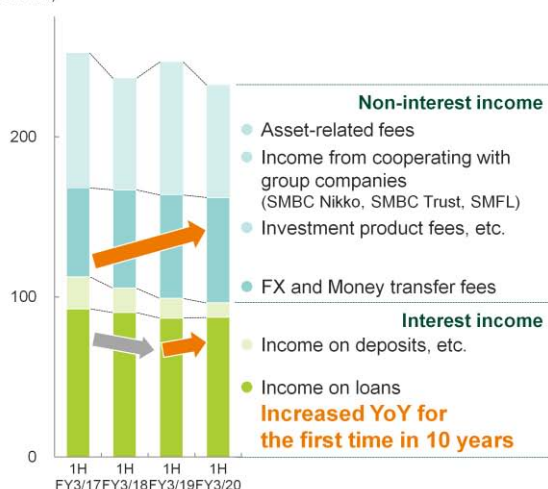
5. Initiatives by business unit:

Wholesale

- Interest income on loans increased YoY for the first time in 10 years due to the steady increase in overall loan balance and efforts on adding high value-added loans with higher spreads.
- Shift to a solution-oriented business model to strengthen non-interest income.

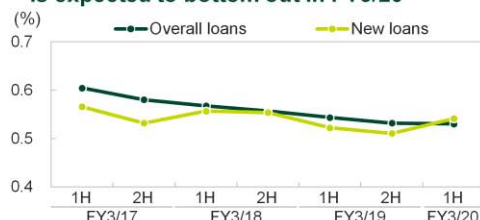
Transformation of the profit structure*1

(JPY bn)

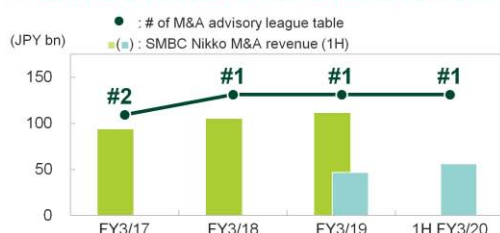


*1 Wholesale unit (SMBC)

Loan spread decline for mid-sized and SMEs is expected to bottom out in FY3/20



Shift to a solution-oriented business model



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Next, I would like to talk about the wholesale business unit.

The left shows the breakdown of profit structure for the wholesale business. Income on loans shown at the bottom increased YOY for the first time in 10 years.

This was achieved because on top of the loan balance steadily increasing, the decline of loan spread had been slowing down. We have been focusing on raising profitability of loans by increasing high value-added loans with higher spreads.

In addition, as shown on the top-right, loan spread on new loans exceeded overall loan spread in 1H, FY3/20.

Going back to the left, non-interest income declined in 1H, FY3/20 due to the severe market conditions. However, in recent years, we have been growing businesses that do not rely on assets, such as FX and money transfer transactions.

We are also trying to enhance businesses that solve clients' management issues as shown on the bottom-right.

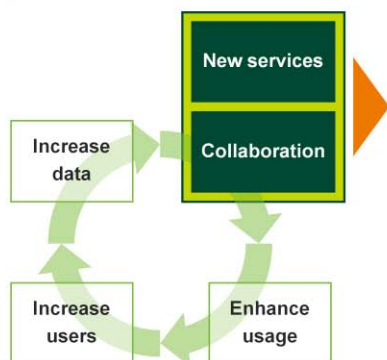
Now, loan spread decline is bottoming out. I believe that we will be able to further increase the profitability of the wholesale business that has ROE of more than 11% by further increasing non-interest income.

5. Initiatives by business unit:

Wholesale

- Build B2B digital platforms by collaborating with external partners.

Digital eco-system



New services

Business
matching
platform



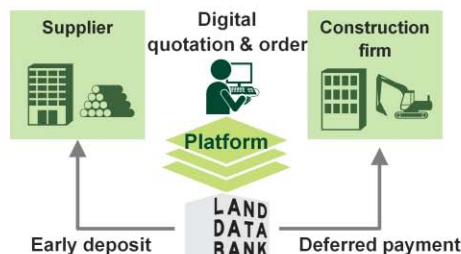
Cloud-based
digital contract^{*1}



Collaboration with large clients

Financial platform to support SME
in the construction industry^{*2}

LAND
DATA
BANK



Expand partners



*1 Partner: Bengo4.com *2 Partner: Komatsu and INCJ

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We are collaborating with external partners in building B2B digital platforms to respond to clients' needs and management issues.

The right shows the initiatives that we recently announced.

"Biz-Create" is an on-line business matching service.

"SMBC CLOUDSIGN, Inc." provides e-contract services on a cloud server by collaborating with Bengo4.com, Inc.

We also built with Komatsu and INCJ, "LAND DATA BANK", a financial platform that supports small and medium-sized businesses in the construction industry.

As shown in the circle on the left, we will work to increase the number of users and expand our data holdings by improving the convenience of our platform through the collaboration with partners to build a digital eco-system.

Please turn to page 33.

6. Initiatives by business unit:

International

- While gross profit increased due to asset expansion, net business profit declined because of continued overseas expenditures and increased credit costs at BEA.

Financial results

	1H FY3/20	YoY ^{*1}
(JPY bn)		
Gross profit	329.8	+7.0
Income on loans and deposits	144.0	+5.1
Loan related fees	53.6	+2.4
Securities business	27.1	+3.4
Expenses	177.0	+13.9
(Overhead ratio)	53.7%	+3.2%
Net business profit	178.6	(10.8)
ROE	9.6%	(1.7)%
RWA (JPY tn)	20.6	+2.6

KPI

	1H FY3/19	1H FY3/20
Non-asset based profit in Asia (USD mn)	375	383
# of active book runner transactions	48	56
Distribution amount (JPY tn)	1.2	1.3

Key points in 1H

- Steady increase of asset-related revenues^{*2}



^{*1} After adjustments of the changes of interest rates and exchange rates ^{*2} Income on loans and deposits + commitment fees, etc.

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6. Initiatives by business unit:

International

- Improve asset efficiency by promoting cross-selling and enhancing products where we hold strengths.

Overseas asset portfolio



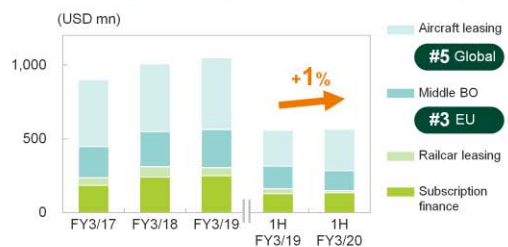
● Controlling the growth rate of assets



● Gross profit increased at SMBC Nikko



● Increased profits in products we hold strengths



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Next is the international business unit.

As shown in the pie chart, we are improving our asset efficiency with disciplined operations. In terms of cross-selling, SMBC Nikko has been increasing the number of ABR transactions and that has led to the increase of gross profit.

The bottom-right shows products that we hold strength, which increased YOY as a total. This is because profit from aircraft leasing increased, while middle LBO decreased due to our cautious approach to an overheating market.

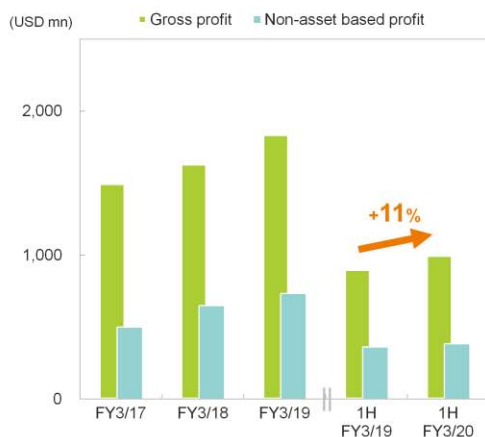
6. Initiatives by business unit:

International

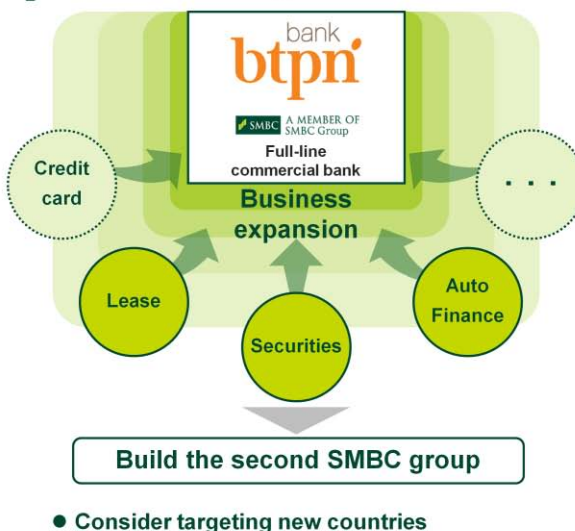
- Increased profit by deepening relationship with core clients in Asia.
- Multi-franchise strategy; pursue business expansion of BTPN and consider targeting new countries.

Asia core client strategy

- Enhancing presence in Asia



Multi-franchise strategy



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Next is our Asian strategy.

The left shows our core client strategy, of which profit continues to increase. Our presence in Asia has been steadily growing.

Our multi-franchise strategy is shown on the right.

BTPN and SMBC Indonesia merged in February, to establish a full-line commercial bank covering both individual and corporate customers.

However, the merger does not mark an end to our strategy, which is to establish the second SMBC group in Indonesia.

We are aiming to become one of the top-tier financial institutions in the country not only by expanding the commercial banking business but also by offering comprehensive financial services including securities, leasing, and auto financing.

At the same time, we will consider expanding the Multi-Franchise strategy to new target countries, such as Vietnam, the Philippines, and India.

Please turn to page 36.

6. Initiatives by business unit:

Global Markets

- Both gross profit and net business profit increased by nimble portfolio management.

Financial results

	(JPY bn)	1H FY3/20	YoY ^{*1}
Gross profit		240.9	+40.7
SMBC's Treasury Unit		194.4	+35.6
Expenses		28.7	+1.8
(Overhead ratio)		11.9%	(1.5)%
Net business profit		227.9	+38.6
ROE		43.6%	+7.6%
RWA (JPY tn)		5.6	(0.2)

KPI

	1H FY3/19	1H FY3/20
Sales and trading profits (JPY bn)	131.3	139.2

Key points in 1H

- Increased gains on bonds taking advantage of the decline of interest rates.



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

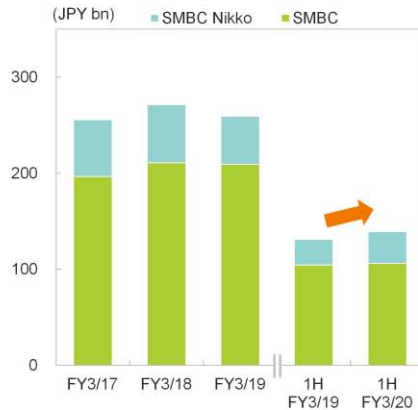
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6. Initiatives by business unit:

Global Markets

- Further enhance S&T to improve and stabilize profitability.
- Raise foreign currency funding capabilities by pursuing stability and lowering costs.

S&T (Sales & Trading)



Foreign currency funding

- Actively utilize mid- to long- term yen swaps



- Issuance of covered bonds

Issue date	Amount (mn)	Tenor	Cost
18/11/6	EUR 1,000	5y	6m Euribor+20bp
19/6/18	EUR 500 USD 1,000	7y 5y	6m Euribor+25bp 3m Libor+50bp
19/11/7	EUR 750 USD 500	10y 3y	6m Euribor+35bp 3m Libor+38bp



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Last is the global markets business unit.

The left shows profit of S&T business, which increased slightly YOY. This is because performance of SMBC Nikko rebounded in 1H, FY3/20 while struggling last year mainly due to low market volatility.

I believe S&T has high growth potential. We will pursue further growth by building up system infrastructure and functions toward this business.

The right shows foreign currency funding, which is one of our key management issues. We will continue to raise our funding capabilities by pursuing stability and lowering costs.



III. ESG



Next, I will talk about ESG.

■ ESG initiatives

FY3/18	Shifted to a Company with Three Committees, introduced Group-wide business units and CxO system	G
	Established Basic Policy for Customer-Oriented Business Conduct	G
	Announced to support TCFD	E
	Published the Declaration of Cyber Security Management	G
	Established Diversity and Inclusion Committee	S
	Formulated Statement on Human Rights	S
FY3/19	Established lending policies for specific sectors (SMBC) - Coal-fired power plants, Palm oil plantation developments, Deforestation	E S
	Appointed Global Advisors	G
	Established the Corporate Sustainability Committee	E S G
	Endorsed the Principles for Responsible Banking	E S G
FY3/20	May First global financial institution to disclose the quantitative impact of climate-related risks in response to recommendations by TCFD	E
	Applied the lending policy for specific sectors on a group basis	E S
	Jun Reduced the number of the board of directors from 17 to 15. % of outside directors was raised to 47%	E S G
	Sep Signed the Principles for Responsible Banking	G
	Oct Published the declaration of proper use of personal data	G



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Interest in environmental and social issues, as well as the realization of a sustainable society by solving these issues, is growing rapidly. I have realized this through dialogue with our stakeholders.

Climate change, aging society, and poverty. These various "issues" will become obvious "problems" in ten years.

We should seriously engage in these issues because they could bring huge impact on our business and also because it is our responsibility as being a part of society.

"We grow and prosper together with our customers, by providing services of greater value to them;" this is one of our group missions. It means that we have social responsibility as a global financial institution to realize sustainable growth of ourselves by contributing to the development of our customers and the society.

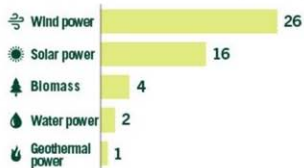
The slide shows various initiatives we have implemented to fulfill these responsibilities.

■ ESG initiatives

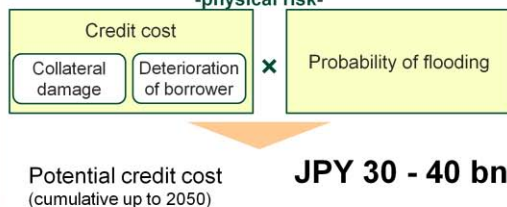
Environment

Project finance for renewable energy

(FY3/19)



Initiatives toward TCFD -physical risk-



Social

Support SMEs in introducing cashless payment



Diversity (% of female managers)



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First is "Environment." We are proactively working to reduce environmental impacts through our business: promoting project finance for renewable energy.

The bottom-left shows our initiatives toward TCFD recommendations. We became the first global financial group that calculate and disclose the financial impact of climate-related risks in April 2019.

The right is "Society."

As an initiative towards the next generation, we are supporting SMEs in introducing cashless payment systems by promoting "Square", a very simple payment terminal that can be connected to smartphones and tablets.

Since April, we started leveraging the SMBC branch network to promote Square and have received many positive feedbacks.

Governance

Governance framework

● Outside director ● Internal director (executive) ● Internal director (non-executive) ● Outside experts □ Chairman

Board of Directors (supervisory)

Internal Committees

Nomination	● ● ● ● ● ● ● ●
Compensation	● ● ● ● ● ● ● ●
Audit	● ● ● ● ● ● ● ●
Risk (optional)	● ● ● ● ● ● ● ●

Management Committee
Business execution decisions

Departments

Internal Audit Dept.

Reporting line
(including personnel
right of consent)

Board of directors

Internal director
(executive)
7 → 5 directors

Outside director
7 directors

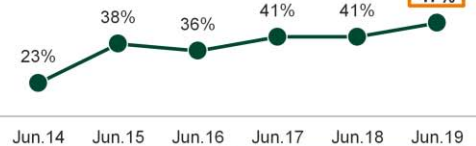
of directors
17 → 15

Internal director
(non-executive)
3 directors

Non-executive directors: 67%

Expertise	
Management	3
Finance/Accounting	1
Law	2
Diplomacy	1

% of outside directors



Jun.14 Jun.15 Jun.16 Jun.17 Jun.18 Jun.19

Board of corporate auditors

Company with three committees

Next, I would like to talk about "Governance."

We have been enhancing effectiveness of the Board of Directors since SMFG shifted to a Company with Three Committees in 2017. The number of directors was reduced from 17 to 15. As a result, almost half of the Board of Directors are now outside directors.

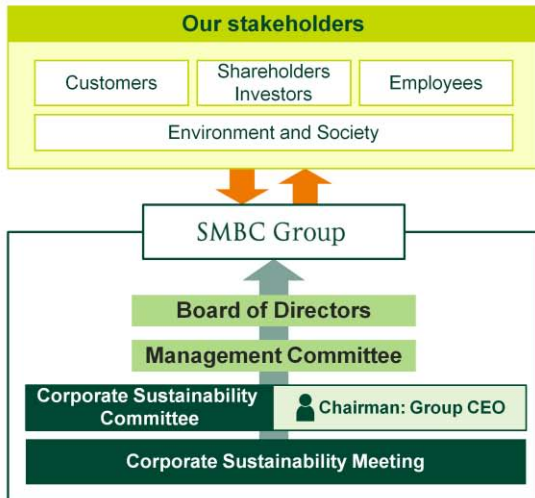
Due to these changes, I feel that the Board of Directors meetings are having more intensive discussions. For example, meetings only attended by outside directors are held more often with themes which outside directors set themselves.

I believe, however, there is no perfect form for corporate governance. We will continue working toward enhancement of corporate governance.

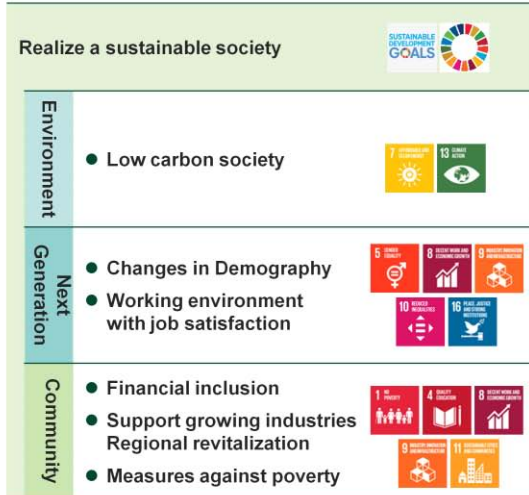
■ (Ref.) Sustainability Management

- Promote initiatives to resolve social issues and achieve the SDGs under direct leadership from the Group CEO.

Sustainability management



SDGs initiatives through our core businesses



■ (Ref.) Response to Recommendations by TCFD

- Conducted analysis and calculated the impact of climate-related risks. The impact is approx. JPY 1 bn of credit costs on an annual basis.
- Strengthening the environmental / social risk management systems when financing coal-fired power plants and coal mining.

Initiatives toward TCFD^{*1} Recommendations

Released in April 2019

Governance	<ul style="list-style-type: none"> ● Enactment of the "Group Environmental Policy" ● Establishment of the "Corporate Sustainability Committee" chaired by the Group CEO to reflect climate change responses in management strategies
Strategy	<ul style="list-style-type: none"> ● Conducted scenario analysis of climate change in physical risks <ul style="list-style-type: none"> ● Targeting SMBC's domestic corporate customers, we estimated credit costs in the event of a water disaster to be approximately JPY 30 to 40 bn between 2019 and 2050 based on the scenarios of RCP^{*2}2.6 (2 ° C scenario) and RCP 8.5 (4 ° C scenario) ● Analysis of the future impact of stranded assets is under discussion ● Financing renewable energy projects and issuing green bonds
Risk Management	<ul style="list-style-type: none"> ● Implementation of environmental and social risk assessments based on the Equator Principles ● Manage finance for coal-fired power plants and coal mining <ul style="list-style-type: none"> ● Introduce business specific policies for coal-fired power plants in SMBC Group companies ● SMBC expanded the scope of its environmental and social risk assessments to include loans for coal mining
Metrics and Targets	<ul style="list-style-type: none"> ● Disclosure of greenhouse gas emissions



^{*1} Task Force on Climate-related Financial Disclosures

^{*2} Representative Concentration Pathways. e.g. "RCP 2.6" represents a radiative forcing (the amount of radiation that energy entering or leaving the surface of the Earth has relative to the Earth's climate) of 2.6 w/m² at the end of the century

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(Ref.) Awards and initiatives

Selected ESG indices



External awards



Endorsed initiatives

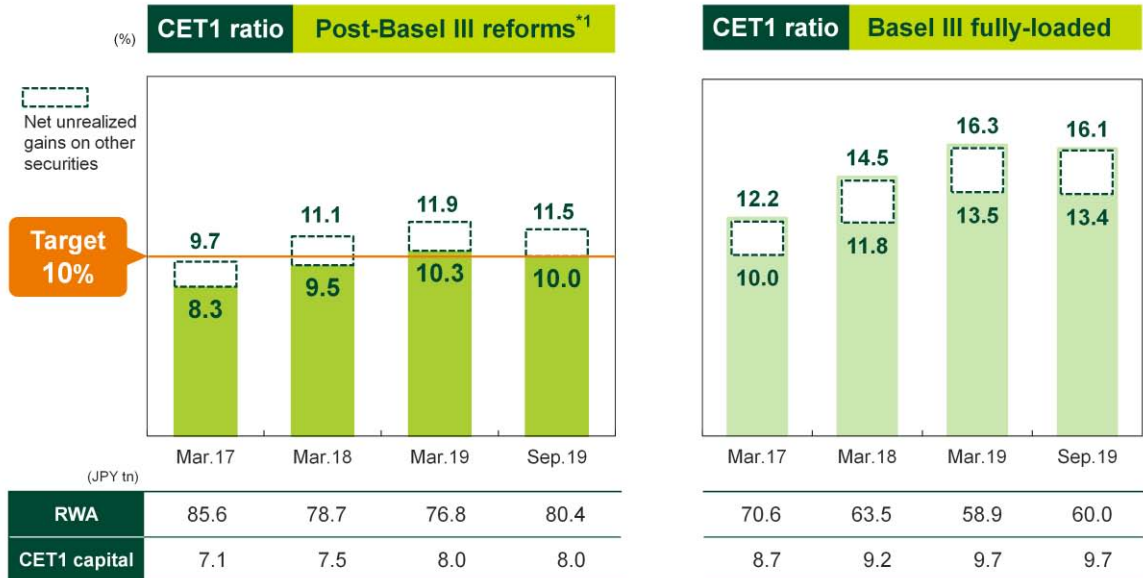


IV. Capital Policy

Next, I will talk about our capital policy. Please turn to page 45.

1. Capital position

- Reached our CET1 ratio target one year ahead of schedule.



^{*1} CET1 ratio that (a) includes the impact of RWA inflation expected post the Basel III reforms and (b) is calculated with CET1 excluding net unrealized gains on other securities and RWA excluding RWA associated with net unrealized gains on stocks

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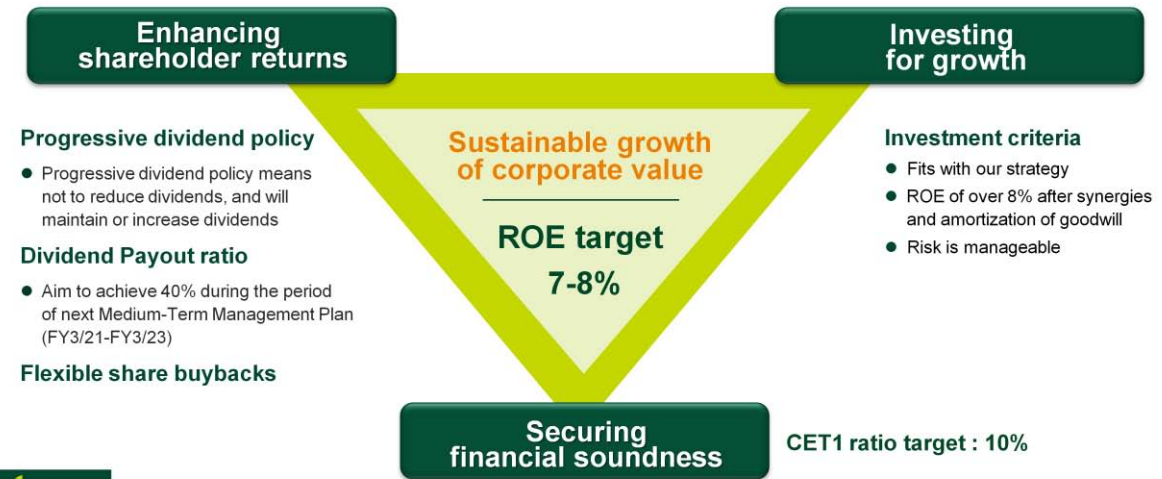
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This slide illustrates our capital position.

As I explained in May, the CET1 ratio on the Post Basel III reforms basis reached our target of 10% at the end of FY3/19, one year ahead of schedule. We were able to maintain this level at the end of September 2019.

■ 2. Basic capital policy

- Achieve a healthy balance among securing financial soundness, enhancing shareholder returns, and investing for growth.
- Dividends will be our principal approach to shareholder returns. In addition, we will proceed with share buybacks on a flexible basis assuming our financial soundness is maintained.
 - We aim to pay progressive dividends supported by our sustainable earnings growth, and achieve a payout ratio of 40% during the period of the next medium-term management plan
 - We will execute share buybacks as and when appropriate taking into account the factors such as our capital position, earnings trends, stock price, growth investment opportunities and an improvement of capital efficiency



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Our Basic Capital Policy has not changed.

We will achieve a healthy balance among securing financial soundness, enhancing shareholder returns, and investing for growth.

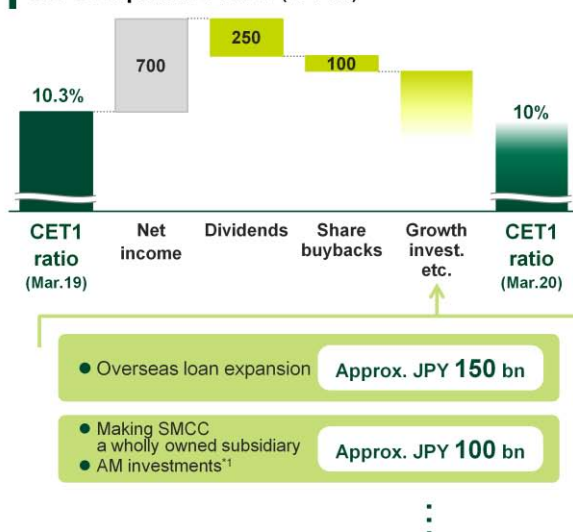
Dividends are our principal approach to shareholder returns, and on top of that we will also proceed with share buybacks on a flexible basis.

3. Shareholder returns

- Dividends : FY3/19 JPY 180 (+ JPY 10 YoY and vs target), FY3/20 target JPY 180.
- Share buybacks : JPY 100 bn (all of the repurchased shares were cancelled.)

	FY3/19 (actual)	YoY	FY3/20 (target)
DPS	180	+10	180
Dividend payout ratio	34.6%	+1.9%	35.2%
Share buybacks	70 bn (15.37mn shares)	—	100 bn (26.5 mn shares)
Total payout ratio	44.2%	—	49.5%
Net income	726.7 bn	(7.7) bn	700 bn

Use of capital in FY3/20 (JPY bn)



^{*1} The merger of SMAM and Daiwa SB, and the acquisition of TT International (UK)

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Next is shareholder returns.

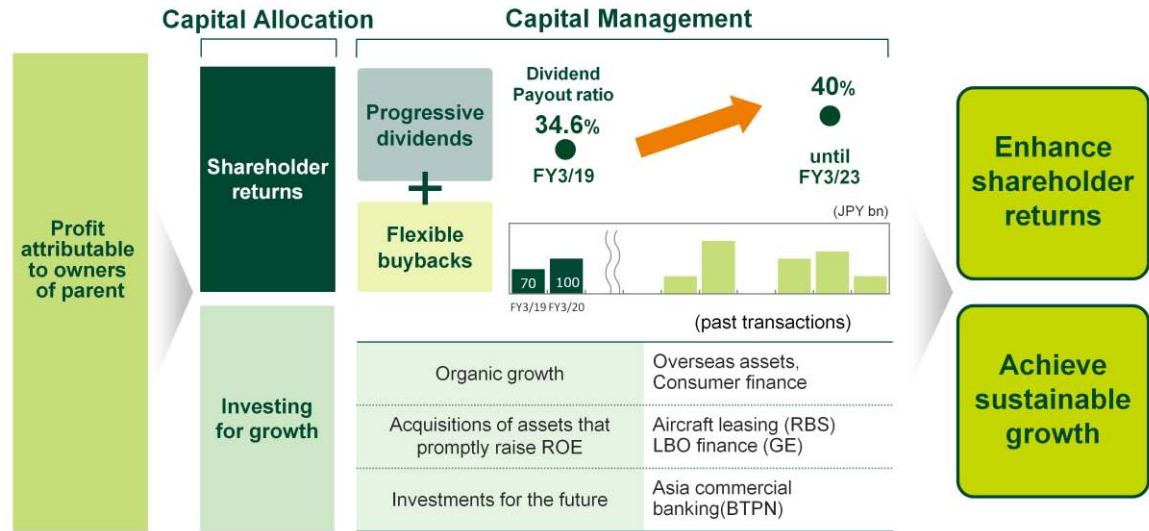
For dividends, FY3/20 target is the same ¥180 per share as the previous year despite a declined forecast in profit attributable to owners of parent.

¥100 billion of share buyback, which we announced in May was completed in August. All shares repurchased were cancelled.

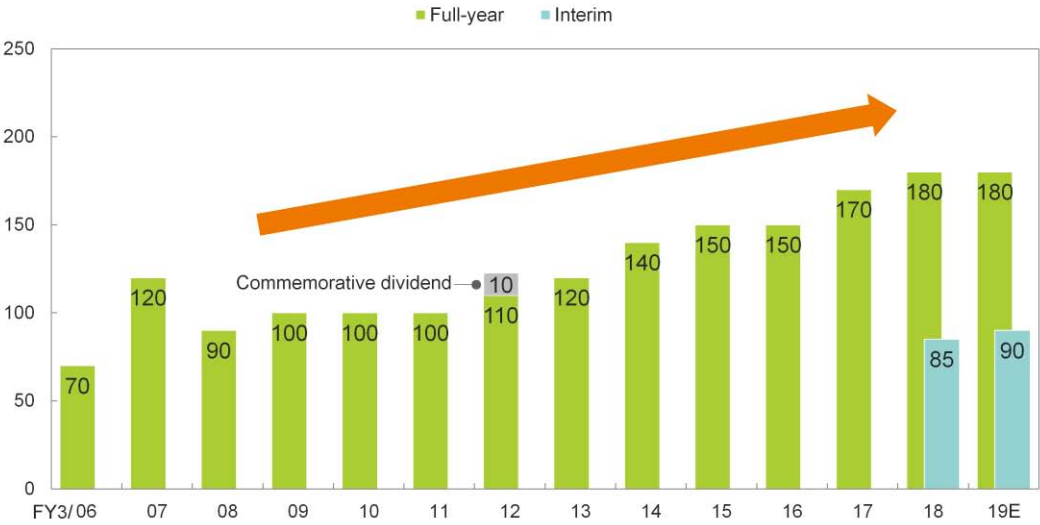
Please turn to page 50.

■ (Ref.) Medium-to long-term capital management

- Entered into a new stage to focus on shareholder returns and investing for growth, after reaching our CET1 ratio target.
- Enhance shareholder returns through progressive dividends and flexible share buybacks, and achieve sustainable growth with disciplined growth investments.



(Ref.) Dividends per share



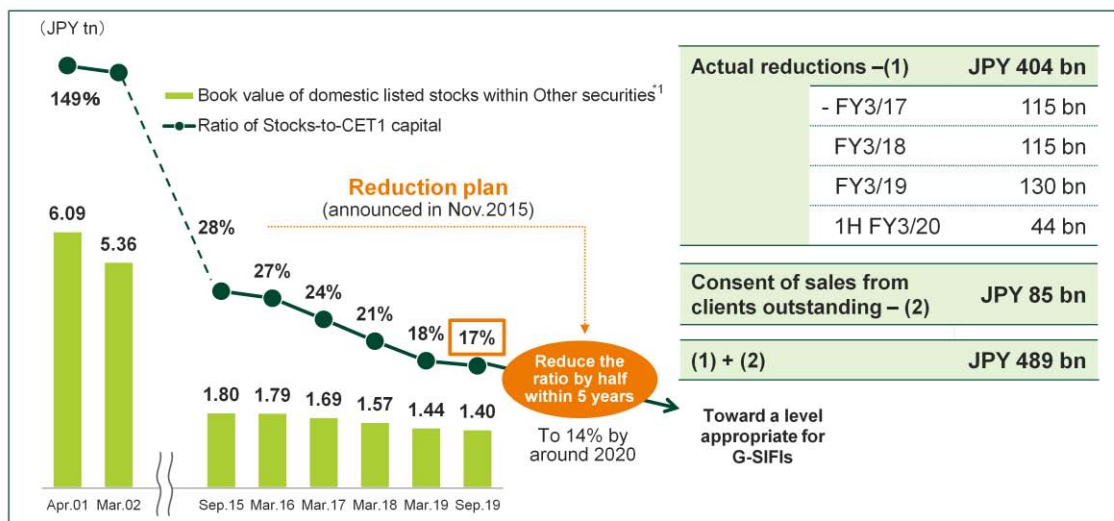
Dividend payout ratio (%)	12.5	20.5	-	46.8	30.0	26.8	21.3	20.3	26.2	32.7	29.9	32.7	34.6	35.2
ROE (%)	13.8	15.8	-	7.5	9.9	10.4	14.8	13.8	11.2	8.9	9.1	8.8	8.2	

4. Strategic shareholdings

- Showing good progress to achieve the target.

- Aim to halve the ratio of stocks to CET1 during the five years starting from the end of Sep. 2015.
- Reduce the book value of domestic listed stocks of up to about 30%, or about JPY 500 bn (JPY 100 bn per year)

Reduction plan



*1 Apr.01 and Mar.02 are ratio against SMBC consolidated Tier 1 capital

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This slide shows our strategic shareholdings.

The reduction amount of 1H, FY3/20 was ¥44 billion and totaled ¥404 billion from September 2015.

On top of that, we have ¥85 billion worth of consent gained from clients to sell bringing the total to ¥489 billion.

We are showing good progress to achieve the reduction target of ¥500 billion.

However, this is not our ultimate goal.

In order to reduce the impact of stock price risks on capital, and in light of the intent of the revision of the Corporate Governance Code, we will continue to work to reduce these risks.

V . Changing the corporate culture

Finally, I would like to talk about what I am doing in order to inspire employees' challenging sprints. This is one of the initiatives I have been working on since appointed as Group CEO.

Inspire challenging spirits

- Build a culture that inspires innovative changes through new and open-minded challenges.

Creating new values

CDIO meeting

SMBC Pitch Contest

Nikko Ventures

Producing new CEOs



The first president in the 30s appointed at SMBC CLOUDSIGN, Inc

Digital contract

SMBCグループ
NC_{ore}

SMBC VALUE CREATION CO., LTD.

BPO support

RPA consulting

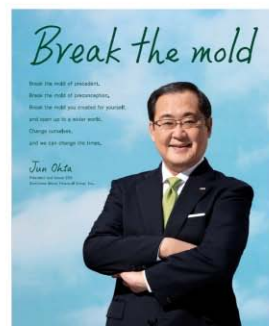


Raising employee awareness

- Inspire challenging spirits with flexible mindset

Work style reform

Free dress code



Revision of personnel system(SMBC)

Fair

Integrate employee types

Challenge

Integrate job bands & grades

Chance

Support life-long carrier

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Three key priorities that I showed in May are "bold transformation," "continuous Innovation," and "maximize group strengths."

I believe it is essential to change our corporate culture in order to realize these priorities.

Therefore, I am encouraging employees to take on new challenges with flexible and open mindset and holding a variety of meetings to think about new businesses. Budget and personnel are allocated to interesting ideas on the spot.

I think of myself as a "CEO producer." Eight new companies, including the three companies shown on the bottom-left, have been recently established.

CEO of SMBC CLOUDSIGN, Inc. is in the 30s. This is the youngest CEO in SMBC Group, which is inspiring young and mid-career employees.

As atmosphere in the office also helps changing employees' mindset, I am promoting work style reform (e.g. remote work, flextime) and free dress code.

Furthermore, personnel system at SMBC is being revised in January so that each employee can choose her/his own work style.

I believe that financial institutions will become more information/data-oriented as IT technology develops.

Now is the time for us to give up our "financial-oriented" mindset. We should find new ways to create new values.

One of the important missions for me will be to continue to inspire employees' challenging spirits and make SMBC Group a company with an open mindset.



For the second half, we will work on finishing the current Medium-Term Management Plan and start working on new initiatives to achieve sustainable growth eyeing the next plan. I sincerely ask for your continued support and understanding. Thank you.