

# Overview of FY3/2020

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May 15, 2020



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)

	Mar. 19	Mar. 20
USD	JPY 111.00	JPY 108.81
EUR	JPY 124.55	JPY 119.52

## 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
SMBC AC	SMBC Aviation Capital
Major local subsidiaries	SMBC Europe, 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	Domestic retail business
Wholesale Business Unit	Domestic wholesale business
Global Business Unit	International business
Global Markets Business Unit	Market / Treasury related businesses
OCI	Net unrealized gains on other securities

# Our response to COVID-19

We are committed to supporting our customers, employees, and communities to overcome COVID-19.

## Customers



- All SMBC branches are open and ATMs remain accessible in Japan
- Enhanced digital capability and servicing (online-banking transactions in April: +36% YoY)
- Supporting urgent financial needs

### Consumers

- Loan programs with special interest rates (SMBC, SMCC, SMBCCF)

### Corporates

- Extending credit using special funds-supplying operations by BOJ
- Loans with government covered programs
- Offering customer relief
  - Waiving fees on business select loans
  - Flexibility in credit process and relaxing conditions
- Established investment fund to support medical ventures

## Employees



- No COVID-19 related layoffs
- Continue to pay even if working hours are reduced
- 70% of employees at headquarters working from home
- Additional special paid time-off
- Prevent infection within offices and branches
- Providing medical and mental healthcare support

## Communities



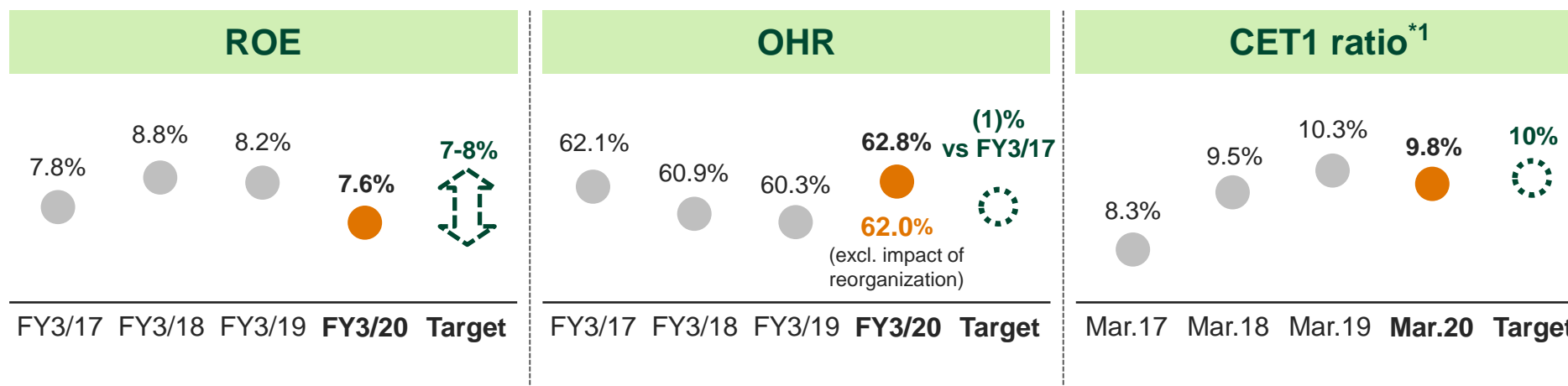
- JPY 1.5 bn donation to COVID-19 relief efforts including:
  - Center for iPS Cell Research and Application (JPY 0.5bn)
  - Japan Committee for UNICEF (JPY 0.1bn)
  - Association of Japanese Symphony Orchestras (JPY 0.1 bn)
- SMBC at Home
  - Donations through online-banking



# Highlights

	Net business profit	Profit attributable to owners of parent	Dividends
FY3/20 results	<b>JPY 1,085.0 bn</b> ( JPY (50) bn vs target)	<b>JPY 703.9 bn</b> (+ JPY 3.9 bn vs target)	<b>JPY 190 / share</b> (+ JPY 10 YoY and vs target)
FY3/21 target	<b>JPY 970 bn</b>	<b>JPY 400 bn</b>	<b>JPY 190 / share</b>

## Financial targets of the previous Medium-Term Management Plan



\*1 Post-Basel III reforms basis, excluding OCI

# Income statement

Profit attributable to owners of parent reached our target.

	(JPY bn)	FY3/20	YoY	vs Nov. target
1 Consolidated gross profit		2,768.6	(77.6)	
2 G&A expenses		1,739.6	+24.6	
Overhead ratio		62.8%	+2.5%	
3 Equity in gains (losses) of affiliates		56.1	(5.1)	
4 Consolidated net business profit		1,085.0	(107.2)	(50.0)
5 Total credit cost		170.6	+60.4	(29.4)
6 Gains (losses) on stocks		80.5	(35.9)	
7 Other income (expenses)		(62.8)	+0.2	
8 Ordinary profit		932.1	(203.2)	(67.9)
9 Extraordinary gains (losses)		(43.4)	(31.7)	
10 Income taxes		167.7	(163.7)	
11 Non-controlling interests		17.1	(48.4)	
12 Profit attributable to owners of parent		703.9	(22.8)	+3.9
13 ROE		7.6%	(0.6)%	

**Consolidated gross profit:** decreased YoY due to the impact of group reorganization and COVID-19 despite an increase in gains on sales of bonds with the decline of overseas interest rates.

**G&A expenses:** increased YoY due to continued overseas expenditures including regulatory compliance costs.

**Total credit cost:** increased YoY due to the absence of reversals from large borrowers recorded last year and provisions for COVID-19.

**Gains on stocks:** posted gains on sales of strategic shareholdings (JPY 101 bn, YoY JPY +9 bn) and impairment loss of listed stocks due to stock price decline.

**Extraordinary losses:** recorded impairment loss of goodwill related to PRESTIA business at SMBC Trust (JPY (40) bn).

**Income taxes:** decreased mainly due to lower pre-tax income and the absence of tax costs at SMCC by becoming a wholly owned subsidiary of SMFG recorded last year.

Was almost flat without the impact of group reorganization JPY (61) bn and COVID-19 JPY (50) bn

## Impact of group reorganization\*1 (JPY bn)

Consolidated gross profit	(70)	Consolidated net business profit	(61)
G&A expenses	(16)	Non-controlling interests	+7
Equity in gains (losses) of affiliates	(7)	Profit attributable to owners of parent	+31

\*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.

# (Ref.) Group companies

## SMBC

	(JPY bn)	FY3/20	YoY	vs Nov. target
1 <b>Gross banking profit</b>		1,412.0	+16.4	
2 o/w Net interest income		878.1	(66.0)	
3 o/w Gains (losses) on cancellation of investment		24.0	(22.0)	
4 Domestic		561.7	(76.4)	
5 Overseas		316.4	+10.4	
6 o/w Net fees and commissions		323.3	(18.9)	
7 Domestic		182.4	(11.0)	
8 Overseas		140.9	(8.0)	
9 o/w Net trading income+ Net other operating income		208.5	+101.5	
10 o/w Gains (losses) on bonds		74.2	+71.3	
11 <b>Expenses</b>		808.1	(3.5)	
12 <b>Banking profit</b>		604.0	+19.9	+4.0
13 <b>Total credit cost</b>		49.6	+51.8	(20.4)
14 <b>Gains (losses) on stocks</b>		51.9	(16.1)	
15 <b>Extraordinary gains (losses)</b>		(122.2)	(117.7)	
16 <b>Net income</b>		317.4	(160.0)	(12.6)

Provision of investment loss for The Bank of East Asia: JPY (120) bn \*1

## Other major group companies

(left : results of FY3/20 / right : YoY)

(JPY bn)	SMCC		SMBC Nikko <sup>*3</sup>		SMBCCF	
<b>Gross profit</b>	420.0	+11.8	320.1	(3.0)	274.4	+5.9
<b>Expenses</b>	328.1	+22.8	271.8	(4.3)	113.9	+3.0
<b>Net business profit</b>	92.4	(11.0)	48.3	+1.2	160.5	+2.9
<b>Net income</b>	38.2	+84.9 <sup>*2</sup>	35.2	+4.1	90.1	+45.1 <sup>*4</sup>

(Equity method affiliate)

	SMBC Trust		SMDAM <sup>*5</sup> 50%		SMFL <sup>*6</sup> 50%	
<b>Gross profit</b>	49.5	(0.3)	35.1	+9.3	183.0	(2.5)
<b>Expenses</b>	48.6	(3.2)	32.0	+14.1	84.7	(3.6)
<b>Net business profit</b>	0.9	+2.8	3.1	(4.7)	101.1	+1.9
<b>Net income</b>	(32.8)	(29.0)	0.9	(4.3)	61.2	(18.8)

\*1 Eliminated in consolidated figures \*2 Due to the absence of tax costs by becoming a wholly owned subsidiary recorded last year.

\*3 Excluding profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG)

\*4 Due to an increase in tax effect accounting \*5 YoY excluding figures of Daiwa SB Investments \*6 Managerial accounting basis

# FY3/2021 target

Expect lower net business profit and bottom-line profit due to the impact of COVID-19.

## Consolidated

	Results FY3/20	Target	
		FY3/21	1H
(JPY bn)			
Consolidated net business profit	1,085.0	970	420
Total credit cost	170.6	450	300
Ordinary profit	932.1	550	130
Profit attributable to owners of parent	703.9	400	100

## Non-consolidated

	Results FY3/20	Target	
		FY3/21	1H
(JPY bn)			
Banking profit	604.0	520	230
Total credit cost	49.6	290	210
Ordinary profit	483.9	240	25
Net income	317.4	170	20

## Assumption of FX rates

USD	JPY 105	EUR	JPY 120
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# COVID-19 impact on earnings

Lower net business profit and increase of credit cost. Loan increase affecting capital management.

(JPY bn)		FY3/20		FY3/21 target			
			Impact of COVID-19	As of Feb.20	Revised	Impact of COVID-19	Notes
P/L	Consolidated Net Business Profit	1,085.0	(50)	1,140	970	(170)	Lower profit in businesses including wealth management
	Credit Cost	170.6	+40	190	450	+260	Higher credit cost reflecting macro situation and provision for specific credit
	Gain(Loss) on Stocks	80.5	(23)	-	-	-	-
	Extraordinary gains (losses)	43.4	(40)	-	-	-	-
	Profit attributable to owners of parent	703.9	(110)	710	400	(310)	
Capital	RWA (JPY tn) Δ of CET1 ratio (%)	86.4	+1 (0.1)%	87	92	cumulative +5 (0.5)%	Extending loans to both domestic and overseas customers



# Shareholder returns

Increased dividends for FY3/20 aiming towards dividend payout ratio of 40%.

Dividend target for FY3/21 maintained at JPY 190 despite the decrease in net income target.

No share buybacks since it will take time to assess the impact of COVID-19.

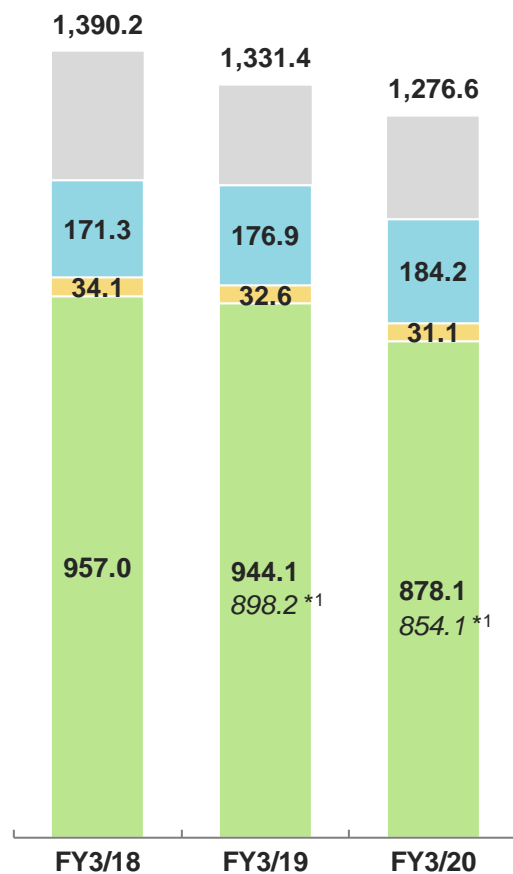
	FY3/19	FY3/20	YoY	vs target	FY3/21 target	YoY
DPS	180	190	+10	+10	190	±0
Dividend payout ratio	35%	37%	+2%	—	65%	+28%
Share buybacks	May.18 70 bn	May.19 100 bn	+30 bn	—	—	—
Total payout ratio	44%	51%	+7%	—	—	—
Net income	726.7 bn	703.9 bn	(22.8) bn	+3.9 bn	400 bn	(303.9) bn

# Consolidated gross profit

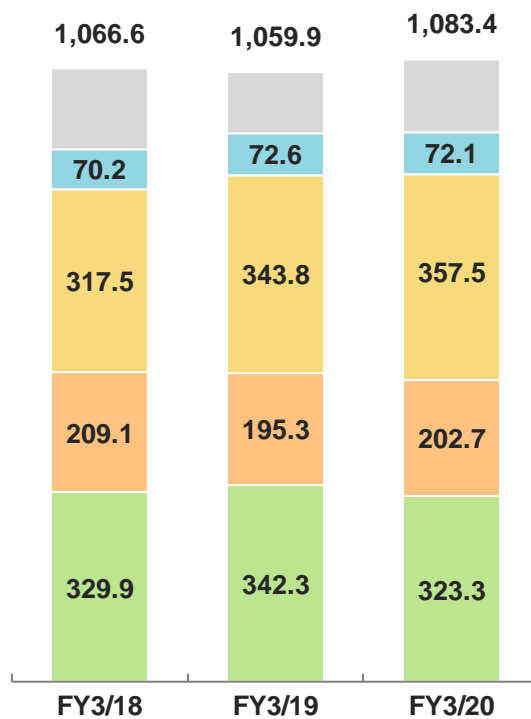
■ SMBC ■ SMBC Nikko ■ SMCC ■ SMBCCF ■ SMFL ■ Others

## Net interest income

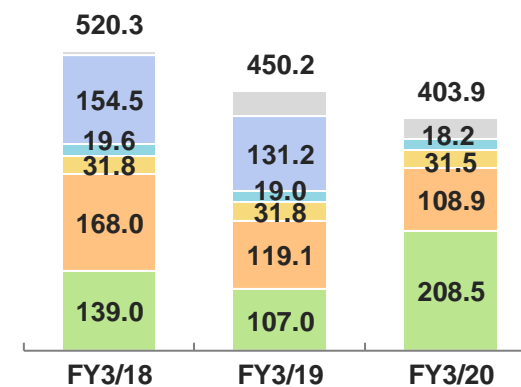
(JPY bn)



## Net fees and commissions



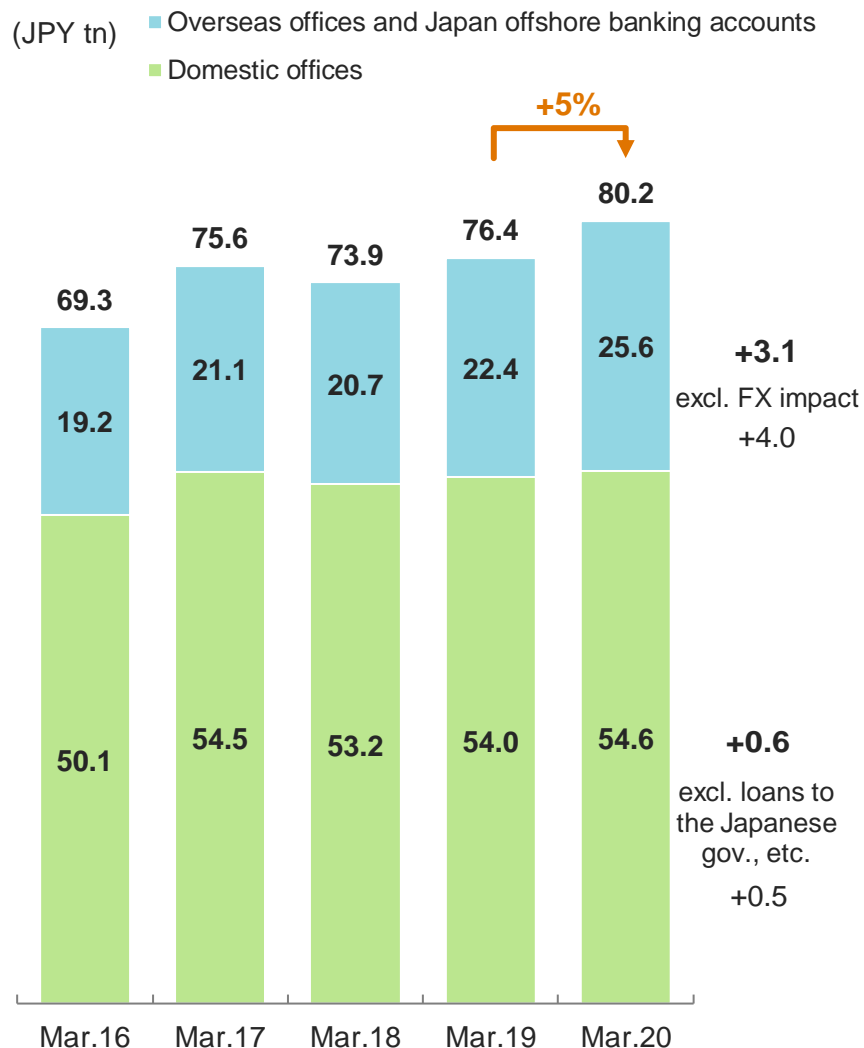
## Net trading income + Net other operating income



\*1 Excluding gains on cancellation of investment trusts

# Loans\*1

## Loan balance



## Domestic loan-to-deposit spread

(%)	FY3/20	YoY	1H	2H
Interest earned on loans and bills discounted	0.91	(0.03)	0.91	0.90
Interest paid on deposits, etc.	0.00	(0.00)	0.00	0.00
Loan-to-deposit spread	0.91	(0.03)	0.91	0.90

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

Interest earned on loans and bills discounted	0.93	(0.04)	0.94	0.92
Loan-to-deposit spread	0.93	(0.04)	0.94	0.92

## Average loan balance and spread\*2

	Balance (JPY tn)		Spread (%)	
	FY3/20	YoY*4	FY3/20	YoY
Domestic loans	52.4	+0.5	0.73	(0.02)
Excluding loans to the Japanese government, etc.	49.8	+0.7	0.76	(0.03)
o/w Large corporations	15.7	+0.6	0.53	+0.02
Mid-sized corporations & SMEs	17.9	+0.4	0.61	(0.03)
Individuals	12.9	(0.5)	1.40	(0.03)
IBU's interest earning assets*3	310.7 USD bn	+18.2 USD bn	1.10	(0.02)

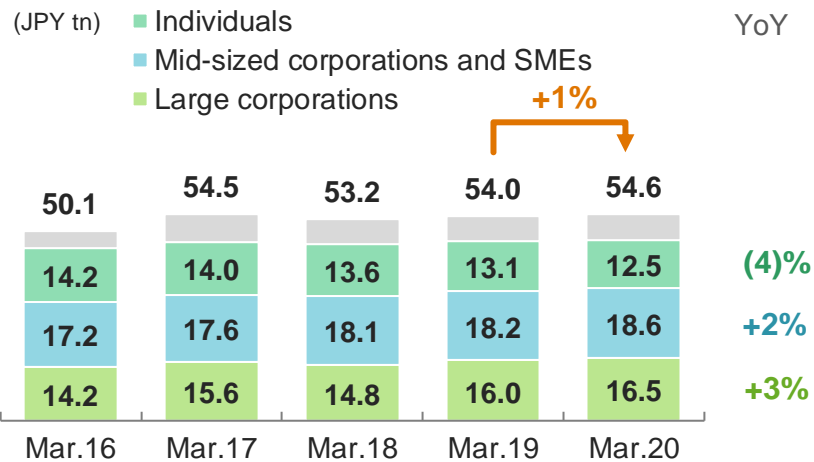
\*1 Non-consolidated \*2 Managerial accounting basis

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

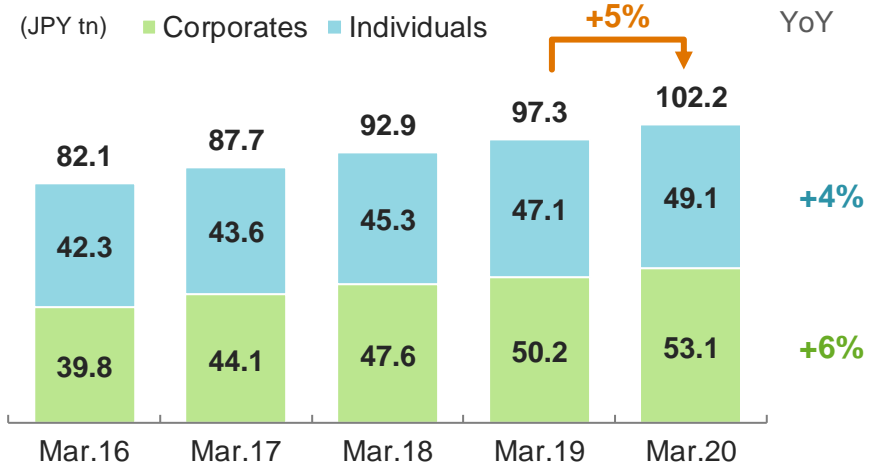
\*4 After adjustments for exchange rates, etc.

# Domestic loans and deposits\*1

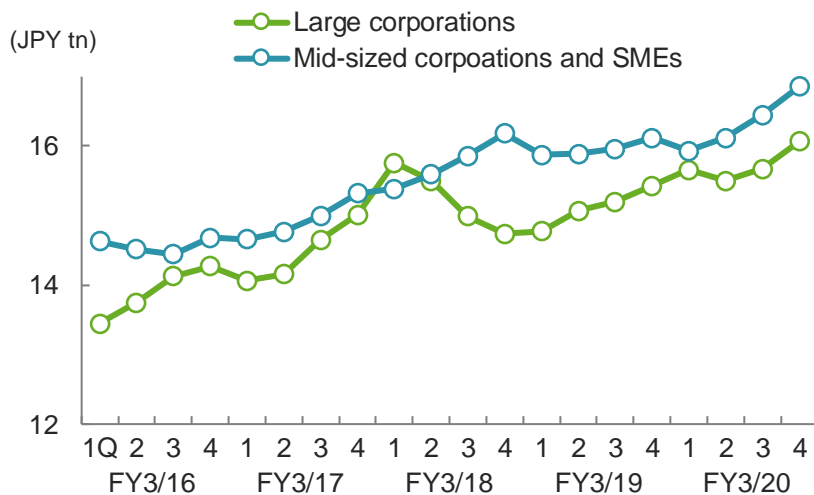
## Loan balance\*2



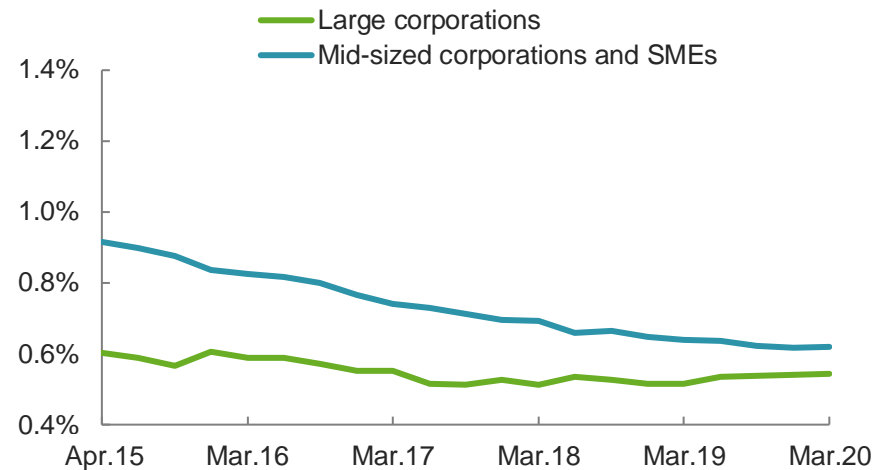
## Deposit balance



## Loan average balance for corporates\*2,3



## Loan spread for corporates\*2,4



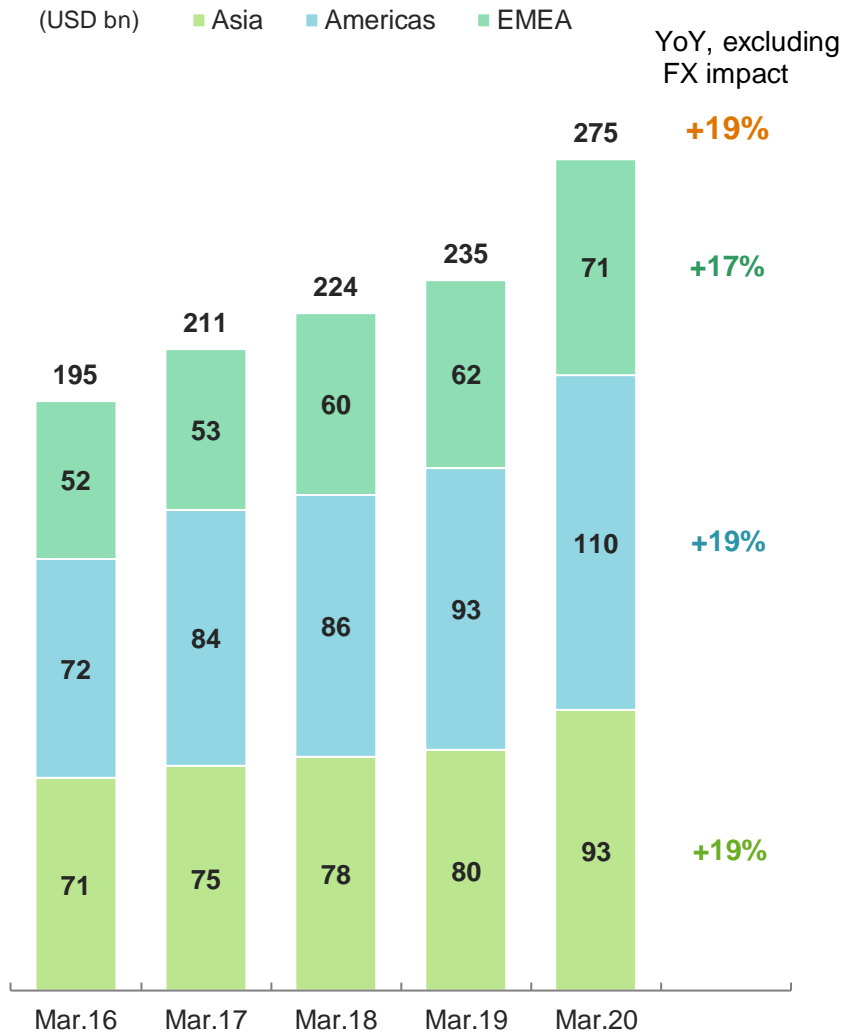
\*1 Non-consolidated \*2 Managerial accounting basis

\*3 Quarterly average, excluding loans to the Japanese government.

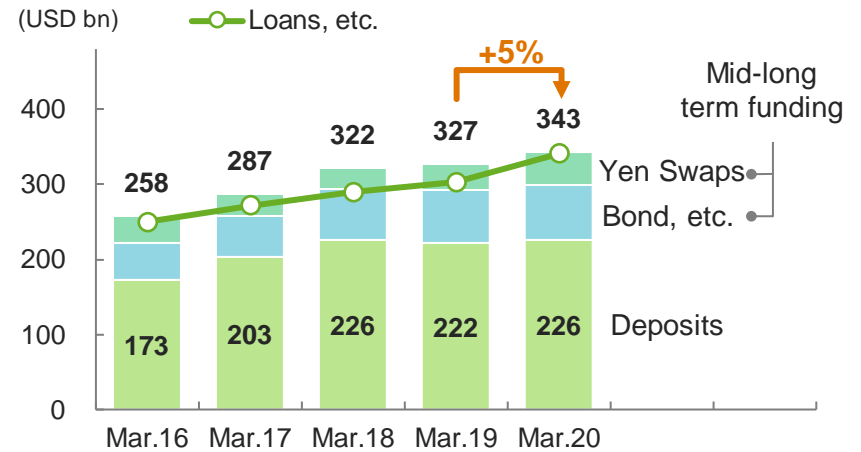
\*4 Monthly average loan spread of existing loans, excluding loans to the Japanese government

# Overseas loans and deposits\*1

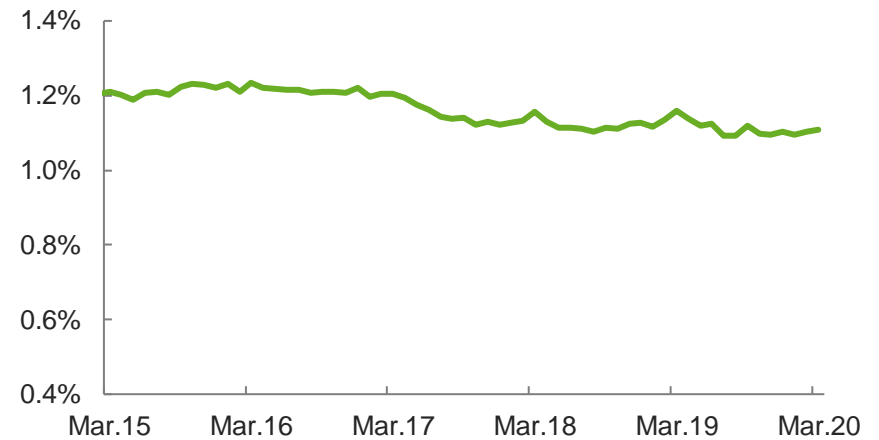
## Loan balance



## Foreign currency balance



## Loan spread\*2

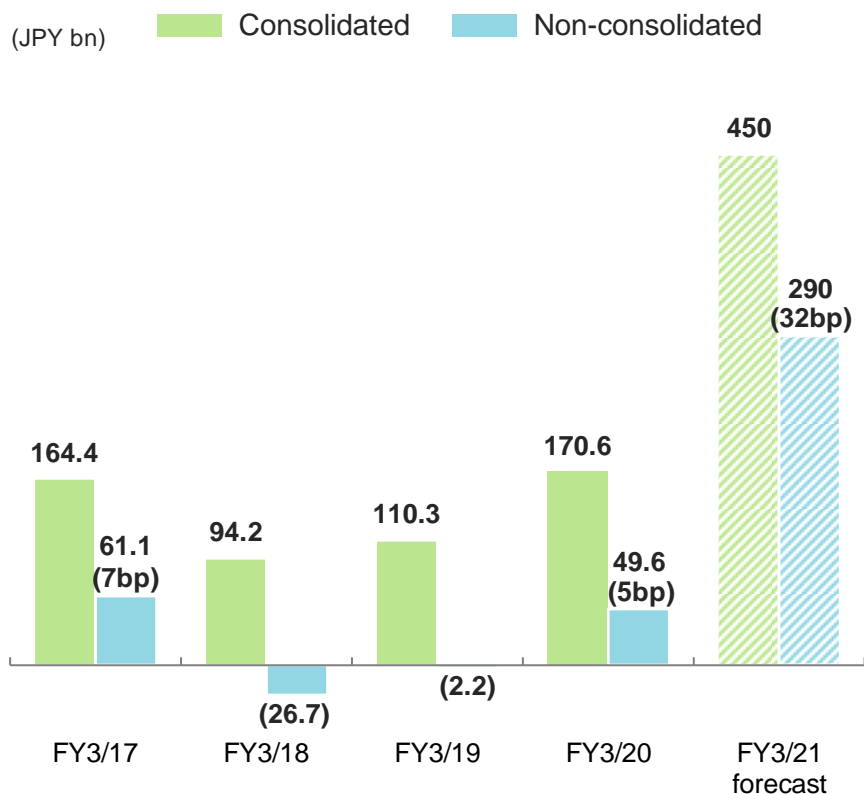


\*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

\*2 Monthly average loan spread of existing loans

# Asset quality

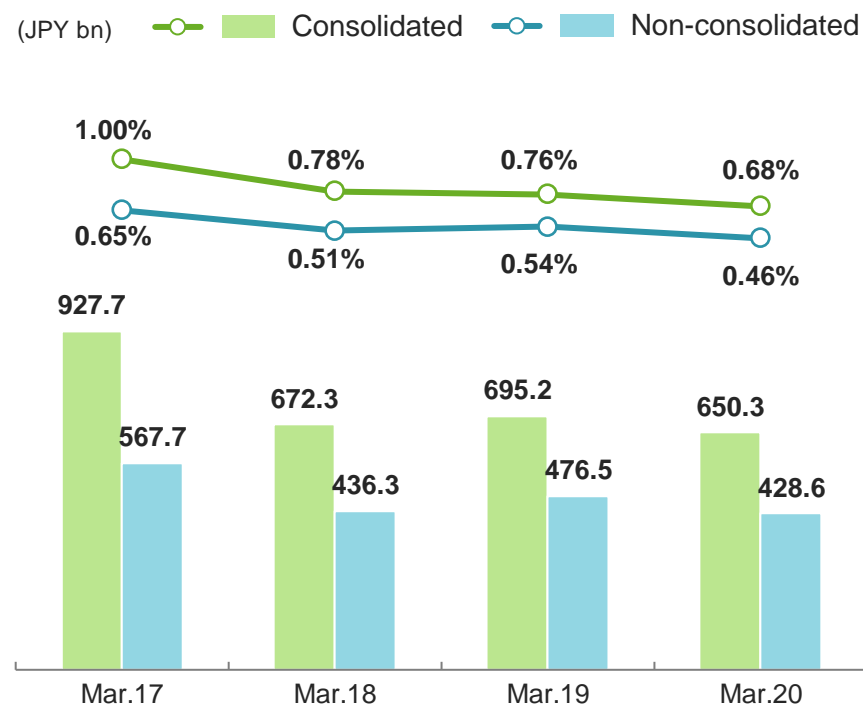
## Credit costs\*1



## Major group companies

	(JPY bn)	FY3/20	YoY
SMBCCF		73	(2)
SMCC		32	(1)

## Non-performing loan balance\*2



## Total claims

	(JPY tn)		
Consolidated	86	91	96
Non-consolidated	86	89	93
<b>Claims on borrowers requiring caution (excluding claims to substandard borrowers)</b>			
Non-consolidated	1.3	0.8	0.9

\*1 Total credit cost ratio = Total credit cost / Total claims

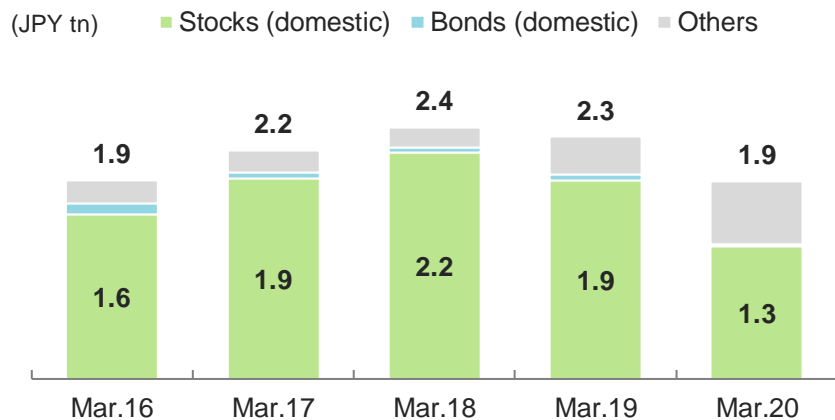
\*2 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

# Securities (1)

## Breakdown of other securities (consolidated)

	B/S amount		Unrealized gains (losses)	
	(JPY bn) Mar.20	vs Mar.19	Mar.20	vs Mar.19
<b>Total</b>	26,649.2	+2,848.7	1,892.3	(429.0)
Stocks (domestic)	2,736.8	(749.8)	1,269.6	(633.4)
Bonds (domestic)	10,067.4	+1,083.7	21.5	(38.8)
o/w JGBs	7,087.9	+853.6	(7.1)	(30.4)
Others	13,845.0	+2,514.8	601.2	+243.2
o/w Foreign bonds	11,649.5	+2,659.4	255.7	+284.1

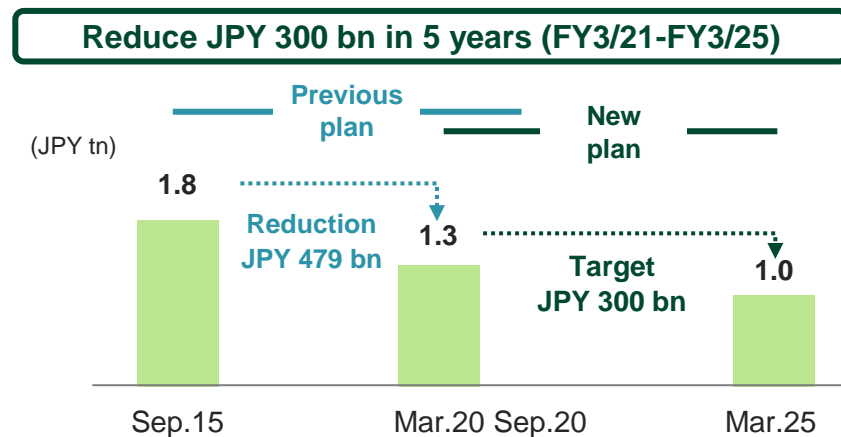
## Unrealized gains



## Strategic shareholdings

(JPY bn)	Results
<b>Actual reduction</b>	<b>479</b>
- FY3/17	115
FY3/18	115
FY3/19	130
FY3/20	119
<b>Consent of sales from clients outstanding</b>	<b>66</b>
<b>Total</b>	<b>545</b>
<b>Previous reduction plan(Sep.15 - Sep.20)</b>	<b>500</b>

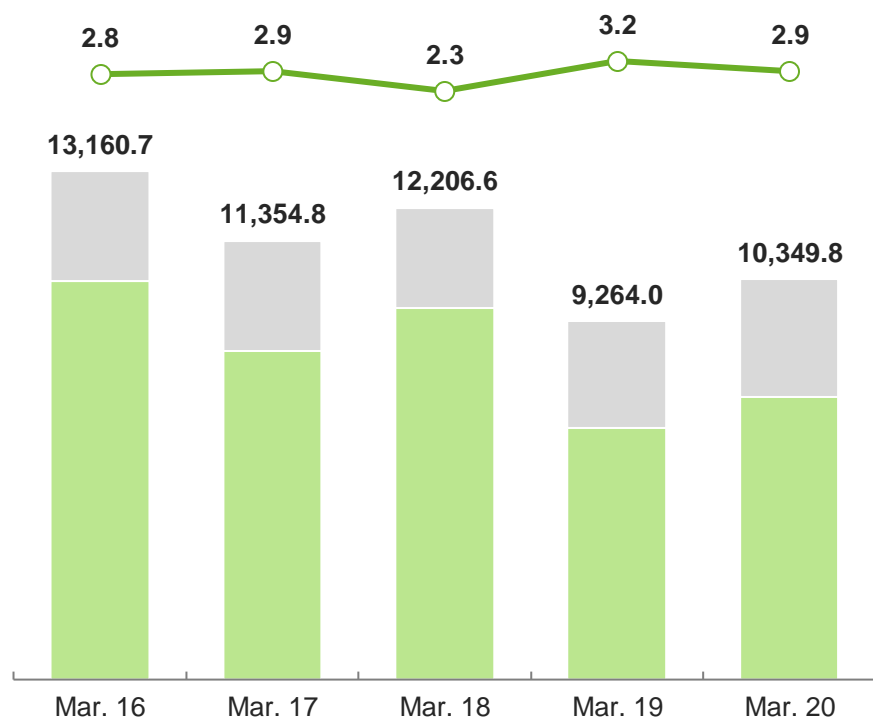
## New reduction plan



# Securities (2)

## Yen-denominated bonds (consolidated)

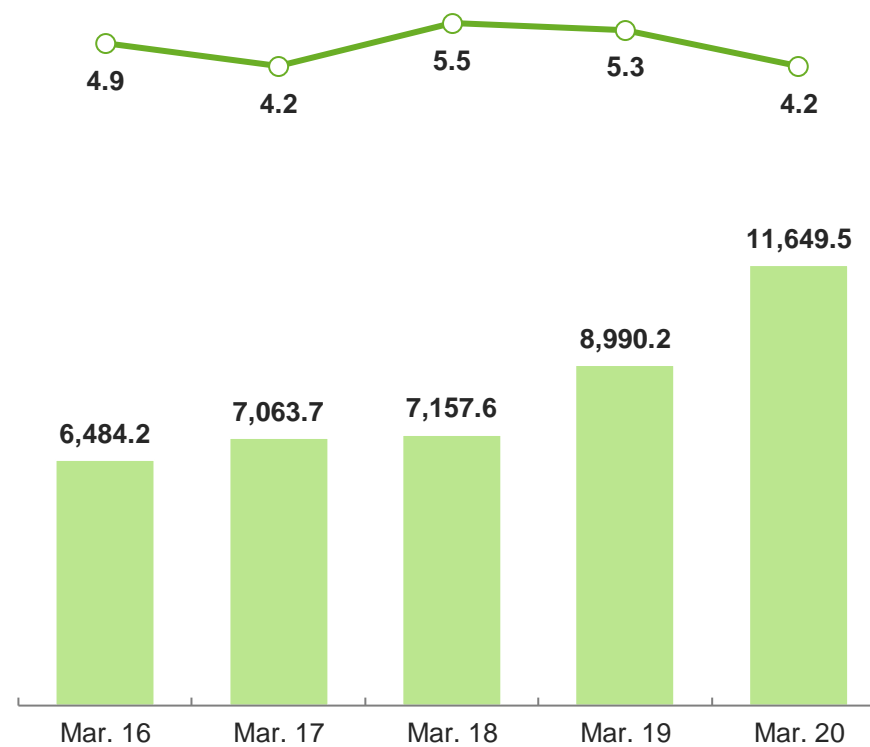
(JPY bn) o/w JGBs Others Duration (years)<sup>\*1</sup>



Unrealized gains(losses)	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20
	67.3	46.5	61.3	21.7	

## Foreign bonds (consolidated)

(JPY bn) B/S amount Duration (years)<sup>\*1</sup>



Unrealized gains(losses)	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20
	(110.6)	(159.4)	(28.4)	255.7	

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

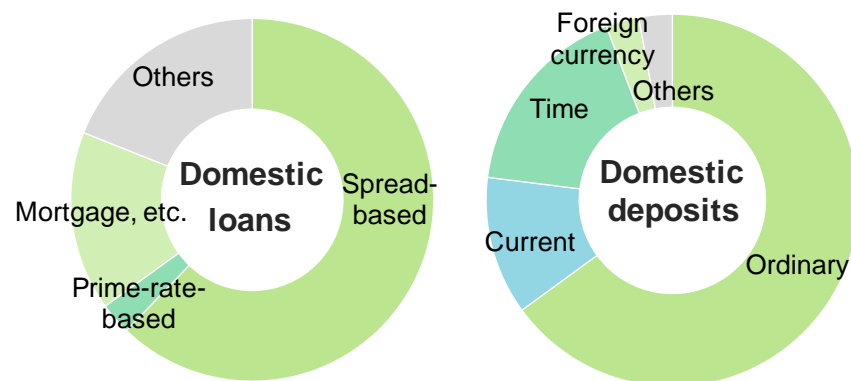


# Balance sheet

## Consolidated

	(JPY tn)	Mar. 20	vs Mar.19
<b>Total assets</b>		<b>219.9</b>	<b>+16.2</b>
o/w Cash and due from banks		61.8	+4.4
o/w BOJ's current account balance <sup>*1</sup>		48.7	+6.4
o/w Loans		82.5	+4.5
o/w Domestic loans <sup>*1</sup>		54.6	+0.6
o/w Large corporations <sup>*2</sup>		16.5	+0.5
o/w Mid-sized corporations & SMEs <sup>*2</sup>		18.6	+0.6
o/w Individuals <sup>*2</sup>		12.5	(0.4)
o/w Securities		27.1	+2.8
o/w Other securities		26.6	+2.8
o/w Stocks		2.7	(0.7)
o/w JGBs		7.1	+0.9
o/w Foreign bonds		11.6	+2.7
<b>Total liabilities</b>		<b>209.1</b>	<b>+16.9</b>
o/w Deposits		127.0	+4.7
o/w Domestic deposits <sup>*1</sup>		102.2	+4.9
Individuals		49.1	+1.9
Corporates		53.1	+3.0
o/w NCD		10.2	(1.0)
<b>Total net assets</b>		<b>10.8</b>	<b>(0.7)</b>
<b>Loan to deposit ratio</b>		<b>60.1%</b>	

## Composition of loans and deposits<sup>\*2</sup>



## Non-JPY B/S<sup>\*2,4</sup>

(USD bn)	
Interest earning assets 341	Deposits (incl. deposits from central banks) 226
Others 116	Mid-long term funding (incl. corporate bonds, currency swaps, etc.) 117
Foreign bonds, NCD 71	CD/CP 62
	Interbank (incl. Repo) 121

Assets / Liabilities 528

\*1 Non-consolidated \*2 Managerial accounting basis \*3 After adding back the portion of housing loans securitized in FY3/20 of JPY 188.7 bn \*4 Sum of SMBC and major local subsidiaries

# Capital / RWA

	Mar. 20	Requirement <sup>*1</sup>
<b>Capital ratio</b>		
Total capital ratio	<b>18.75%</b>	11.5%
CET1 ratio (Basel III fully-loaded basis)	<b>15.55%</b>	8%
excl. OCI	13.3%	-
CET1 ratio (Post-Basel III reforms)	<b>11.0%</b>	8%
excl. OCI	<b>9.8%</b>	-
<b>External TLAC ratio</b>		
RWA basis <sup>*2</sup>	<b>25.96%</b>	16%
Leverage exposure basis	<b>7.64%</b>	6%
<b>Leverage ratio</b>	<b>4.31%</b>	3%
<b>LCR (Average 4Q FY3/20)</b>	<b>125.6%</b>	100%

	Mar. 19	Mar. 20
(JPY bn)		
<b>Total capital</b>	<b>12,240.5</b>	<b>11,552.0</b>
Tier1 capital	10,727.2	10,249.9
o/w CET1 capital	9,654.5	9,581.3
Tier2 capital	1,513.3	1,302.1
<b>External TLAC</b>	<b>17,983.4</b>	<b>18,162.0</b>
<b>Risk-weighted assets</b>	<b>58,942.8</b>	<b>61,599.1</b>
<b>Leverage exposure</b>	<b>219,538.8</b>	<b>237,488.7</b>

\*1 Excluding countercyclical buffer

# Results by business unit

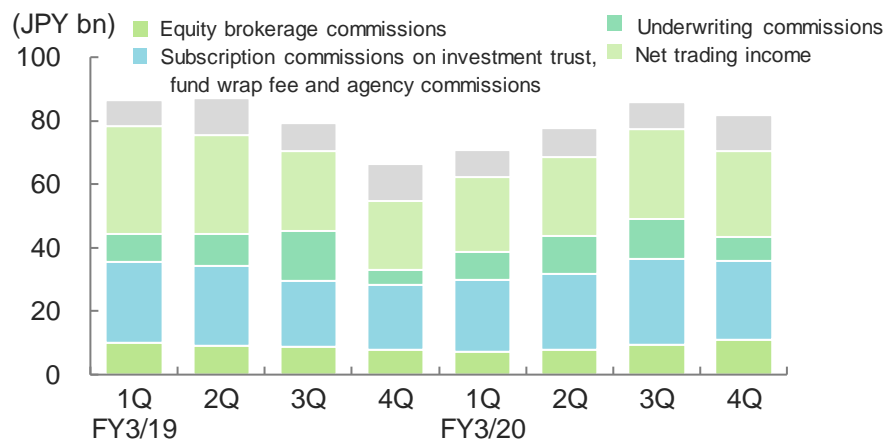
		(JPY bn)	FY3/19	FY3/20	YoY <sup>*1</sup>
Retail	Gross profit		1,281.6	1,257.7	(9.6)
	Expenses		1,021.4	1,025.2	+4.5
	<i>Overhead ratio</i>		<i>79.7%</i>	<i>81.5%</i>	<i>+1.0%</i>
	<b>Net business profit</b>		<b>274.6</b>	<b>234.5</b>	<b>(13.9)</b>
Wholesale	Gross profit		784.9	641.5	(6.7)
	Expenses		345.1	284.4	(2.2)
	<i>Overhead ratio</i>		<i>44.0%</i>	<i>44.3%</i>	<i>+0.1%</i>
	<b>Net business profit</b>		<b>484.9</b>	<b>409.2</b>	<b>(0.9)</b>
Global	Gross profit		689.6	667.1	+26.2
	Expenses		333.4	350.6	+19.7
	<i>Overhead ratio</i>		<i>48.3%</i>	<i>52.6%</i>	<i>+1.0%</i>
	<b>Net business profit</b>		<b>395.1</b>	<b>371.2</b>	<b>+3.3</b>
Global Markets	Gross profit		333.6	421.6	+60.6
	Expenses		54.2	56.2	+2.6
	<i>Overhead ratio</i>		<i>16.2%</i>	<i>13.3%</i>	<i>(1.5)%</i>
	<b>Net business profit</b>		<b>298.5</b>	<b>398.8</b>	<b>+59.9</b>

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

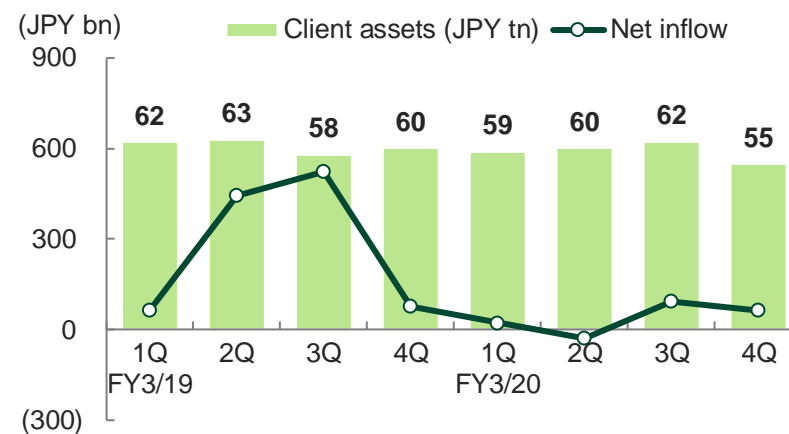
## Financial results

(JPY bn)	FY3/19	FY3/20	YoY
<b>Net operating revenue</b>	319.2	316.0	(3.2)
<b>SG&amp;A expenses</b>	276.5	273.0	(3.5)
<b>Ordinary income</b>	48.4	49.8	+1.4
<b>Net income</b>	33.3	39.2	+5.9

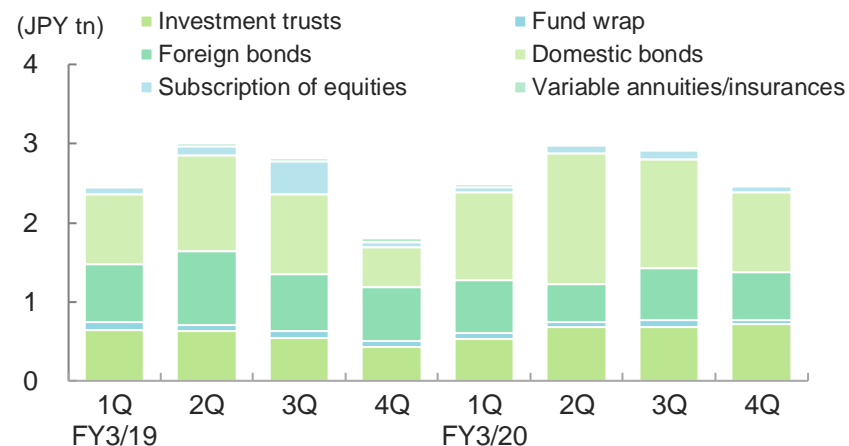
## Net operating revenue



## Client assets / Net inflow



## Product sales

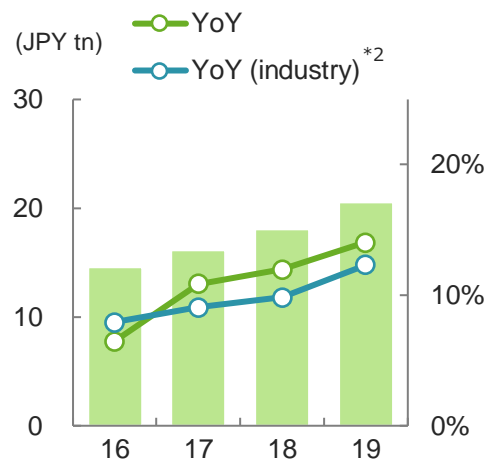


## Financial results

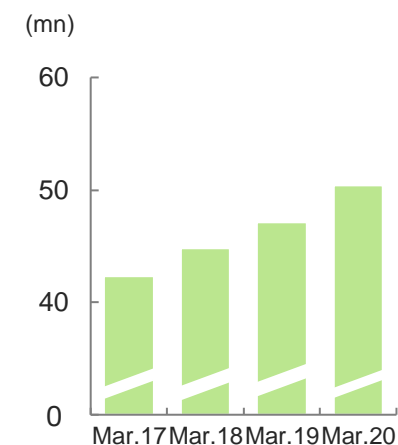
(JPY bn)	FY3/19	FY3/20	YoY
<b>Operating revenue</b>	465.5	480.8	+15.4
o/w Commission fee	145.2	153.0	+8.8
<b>Finance</b>	108.5	109.2	+0.7
Sales on credit	36.8	35.8	(0.9)
Receipt agency	45.4	46.7	+1.4
<b>Operating expense</b>	403.0	430.3	+27.3
o/w Expenses for loan losses	33.1	32.3	(0.8)
Expense for interest repayments	10.9	12.0	+1.1
<b>Ordinary profit (loss)</b>	62.7	50.8	(11.9)
<b>Net income</b>	(46.7)	38.2	+84.9 <sup>*1</sup>
<b>Finance outstanding</b>	730.2	738.3	

## Key figures

### Sales handled

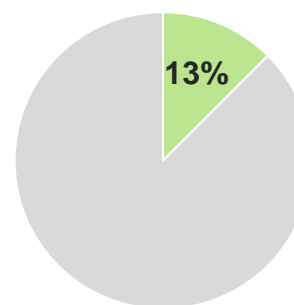


### # of card holders

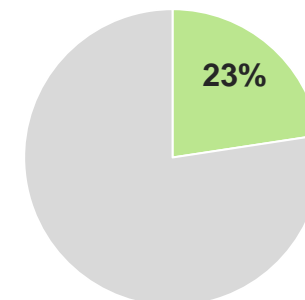


### Market share<sup>\*3</sup>

#### Issuing



#### Acquiring



\*1 Due to the absence of tax costs by becoming a wholly owned subsidiary recorded last year

\*2 The Japan Consumer Credit Association "Credit card behavior investigation" Shopping credit amount Growth rate in FY3/20 compared by the 1H figure \*3 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2019 : JPY 63 tn)

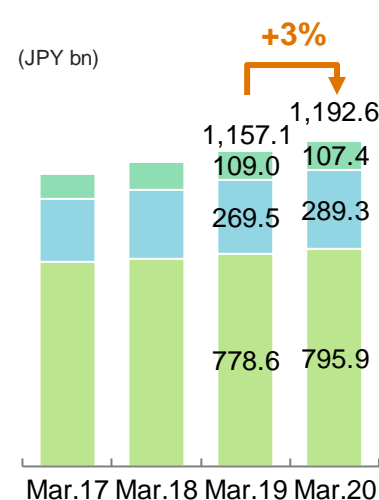
## Financial results

(JPY bn)	FY3/19	FY3/20	YoY
<b>Operating income</b>	281.8	288.5	+6.7
o/w Interest revenues	177.4	184.9	+7.5
Loan guarantee revenues	69.2	68.7	(0.5)
<b>Operating expenses</b>	236.0	228.3	(7.7)
o/w Expenses for loan losses	57.5	68.2	+10.7
Expense for loan guarantees	28.0	15.3	(12.7)
Expenses for interest repayments	36.0	27.0	(9.0)
<b>Ordinary profit</b>	46.3	60.5	+14.2
<b>Net income</b>	45.1	90.1	+45.1 <sup>*1</sup>
<b>NPLs</b>	71.3	78.3	
(NPL ratio)	6.16%	6.57%	
<b>Allowance on interest repayments (provision)</b>	112.1	106.1	
	3.4 yrs	3.2 yrs	

\*1 Due to an increase in tax effect accounting

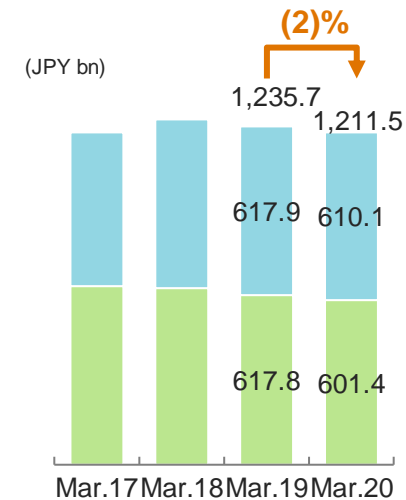
## Consumer loans

■ Promise ■ Mobit ■ Promise (overseas)

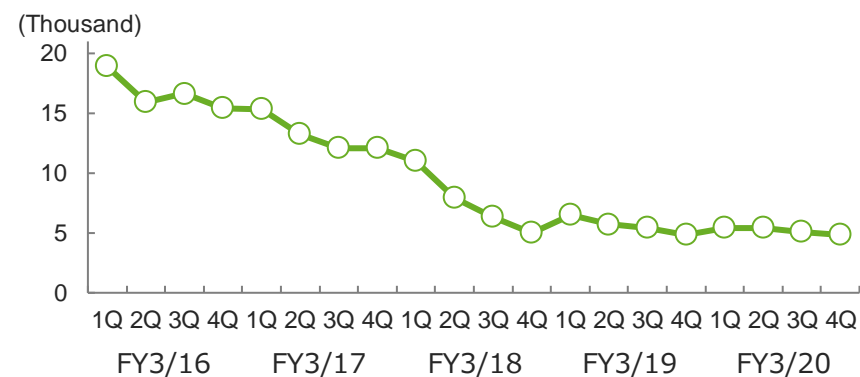


## Loan guarantee

■ SMBC ■ Others



## No. of interest refund claims



# Outline of New Medium-term Management Plan

## Our Vision

A trusted global solution provider committed to the growth of our customers and advancement of society

## Core Policy

### Transformation

Transform existing businesses

### Growth

Seek new growth opportunities

### Quality

Elevate quality in all aspects

## Financial Targets for FY 3/23

### Profitability

ROCE<sup>1</sup>  $\geq 8.5\%$

### Efficiency

Base expenses<sup>\*2</sup> < FY3/20 results

### Financial Soundness

CET1 ratio<sup>\*1</sup> c.10%

## Capital Policy

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

For shareholder returns, dividends will be our principal approach and will proceed with share buybacks on a flexible basis.

- Progressive dividends
- Dividend payout ratio target of 40% by the end of FY3/23

\*1 Post-Basel III reforms basis, excluding OCI

\*2 G&A expenses excluding revenue linked cost, prior investment cost and others

# Seven Key Strategies

## *Transformation*

Transform existing businesses

## *Growth*

Seek new growth opportunities

1

**Pursue sustainable growth of wealth management business**

2

**Improve productivity and strengthen solutions in the domestic wholesale business**

3

**Enhance overseas CIB business to improve asset / capital efficiency**

4

**Hold the number one position in payment business**

5

**Enhance asset-light business on a global basis**

6

**Expand franchise in Asia and strengthen digital banking**

7

**Develop digital solutions for corporate clients**