

Investors Meeting FY3/2020

May 19, 2020



SUMITOMO MITSUI
FINANCIAL GROUP

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I. Our response to COVID-19

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 SME loans (“Business select loan”)
 - 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





II. Financial Results

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 Gross banking profit		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 Expenses		808.1	(3.5)	
12 Banking profit		604.0	+19.9	+4.0
13 Total credit cost		49.6	+51.8	(20.4)
14 Gains (losses) on stocks		51.9	(16.1)	
15 Extraordinary gains (losses)		(122.2)	(117.7)	
16 Net income		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 ^{*3}		SMBCCF	
Gross profit	420.0	+11.8	320.1	(3.0)	274.4	+5.9
Expenses	328.1	+22.8	271.8	(4.3)	113.9	+3.0
Net business profit	92.4	(11.0)	48.3	+1.2	160.5	+2.9
Net income	38.2	+84.9 ^{*2}	35.2	+4.1	90.1	+45.1 ^{*4}

(Equity method affiliate)

	SMBC Trust		SMDAM ^{*5} 50%		SMFL ^{*6} 50%	
Gross profit	49.5	(0.3)	35.1	+9.3	183.0	(2.5)
Expenses	48.6	(3.2)	32.0	+14.1	84.7	(3.6)
Net business profit	0.9	+2.8	3.1	(4.7)	101.1	+1.9
Net income	(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 DTA *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

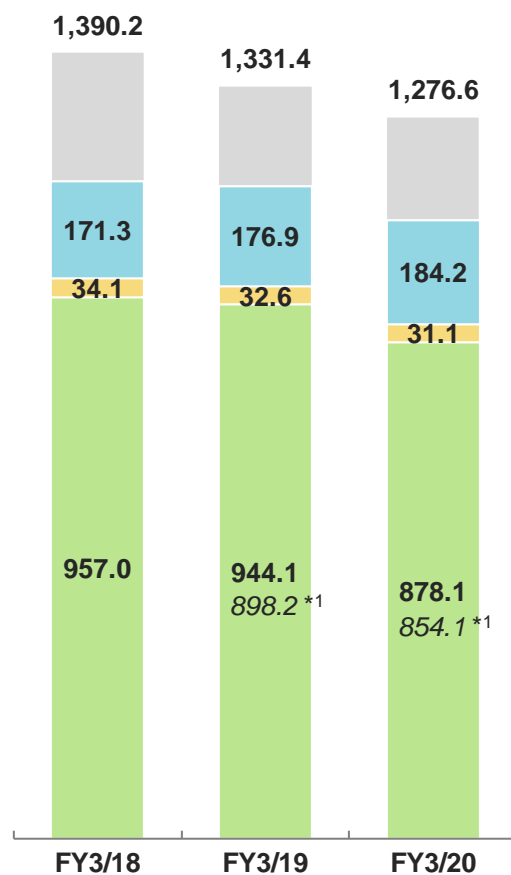
USD	JPY 105	EUR	JPY 120
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Consolidated gross profit

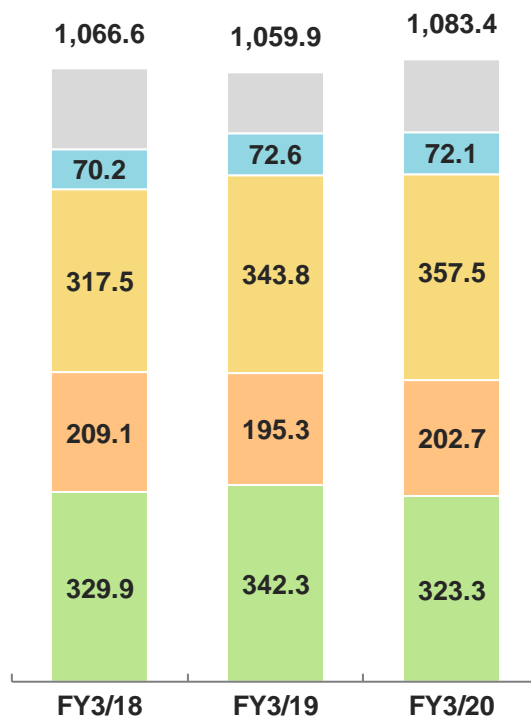
■ SMBC ■ SMBC Nikko ■ SMCC ■ SMBCCF ■ SMFL ■ Others

Net interest income

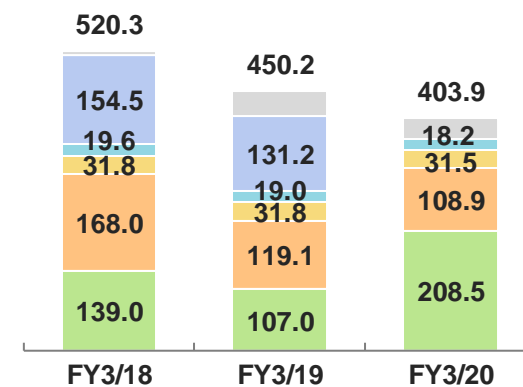
(JPY bn)



Net fees and commissions



Net trading income + Net other operating income

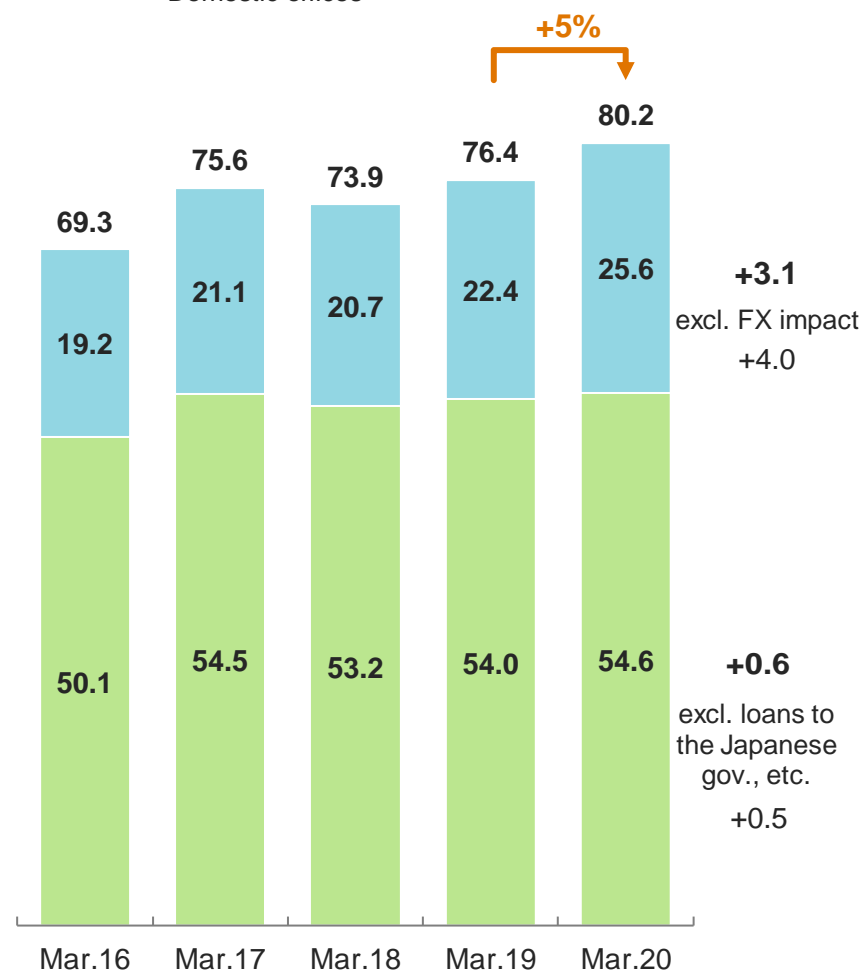


*1 Excluding gains on cancellation of investment trusts

Loans*1

Loan balance

(JPY tn) ■ Overseas offices and Japan offshore banking accounts
■ Domestic offices



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)

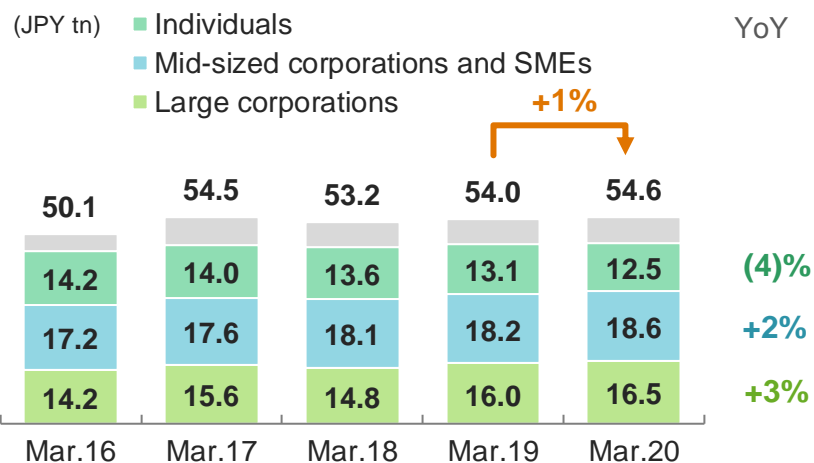
*1 Non-consolidated *2 Managerial accounting basis

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

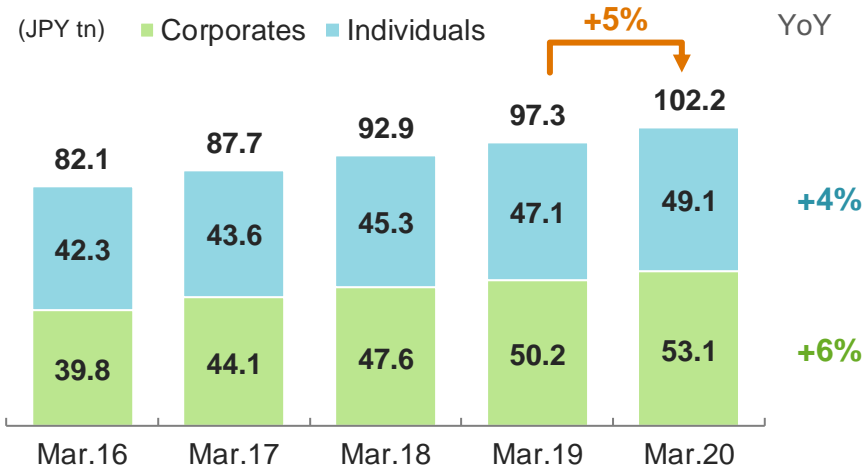
*4 After adjustments for exchange rates, etc.

Domestic loans and deposits*1

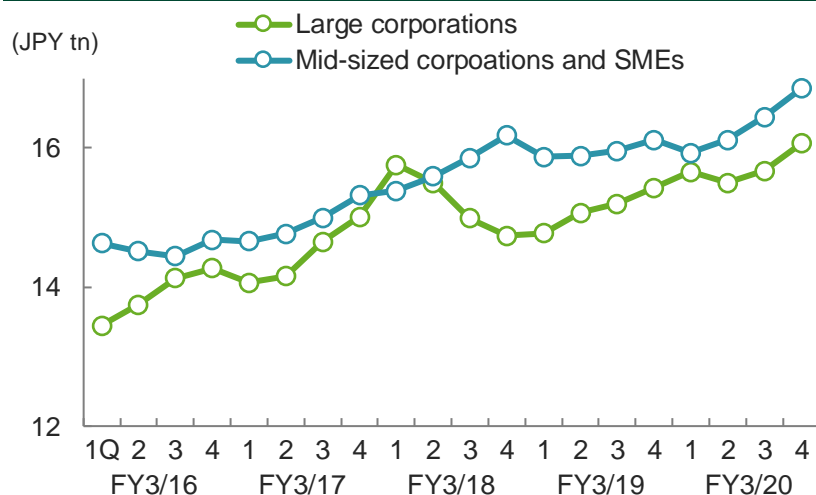
Loan balance*2



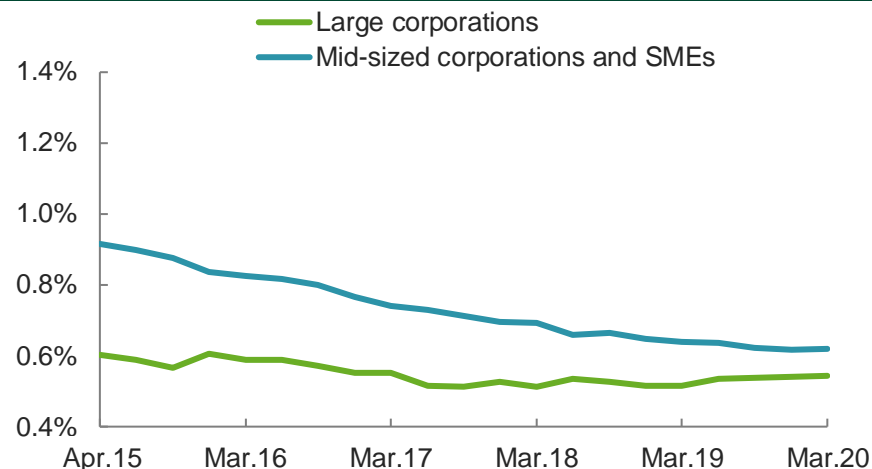
Deposit balance



Loan average balance for corporates*2,3



Loan spread for corporates*2,4



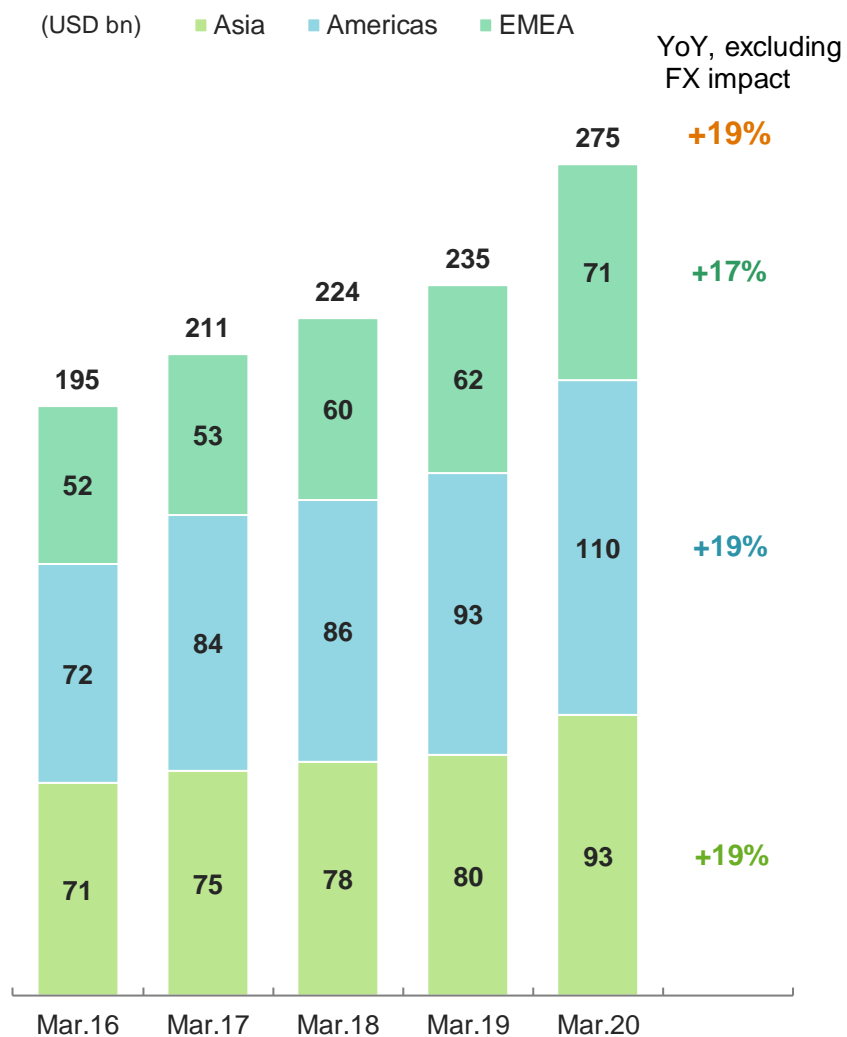
*1 Non-consolidated *2 Managerial accounting basis

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

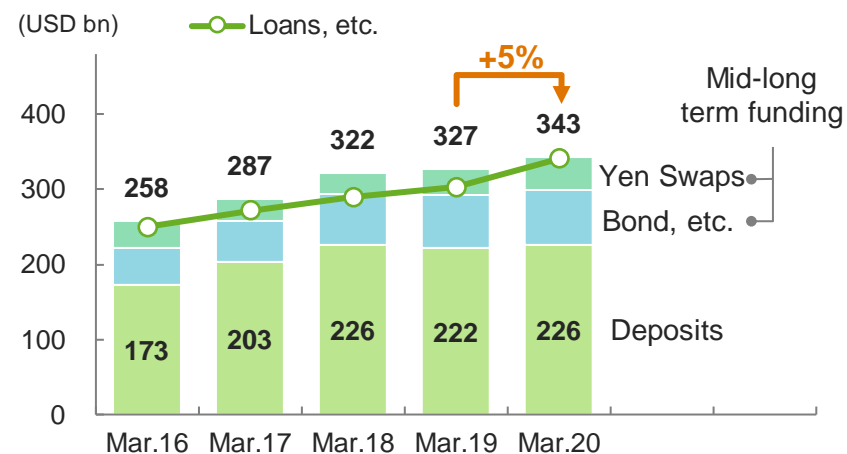
*4 Monthly average loan spread of existing loans, excluding loans to the Japanese government

Overseas loans and deposits*1

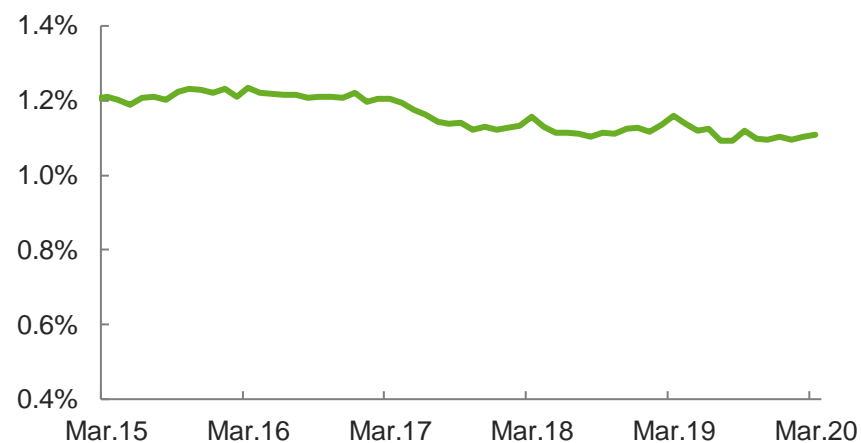
Loan balance



Foreign currency balance



Loan spread*2

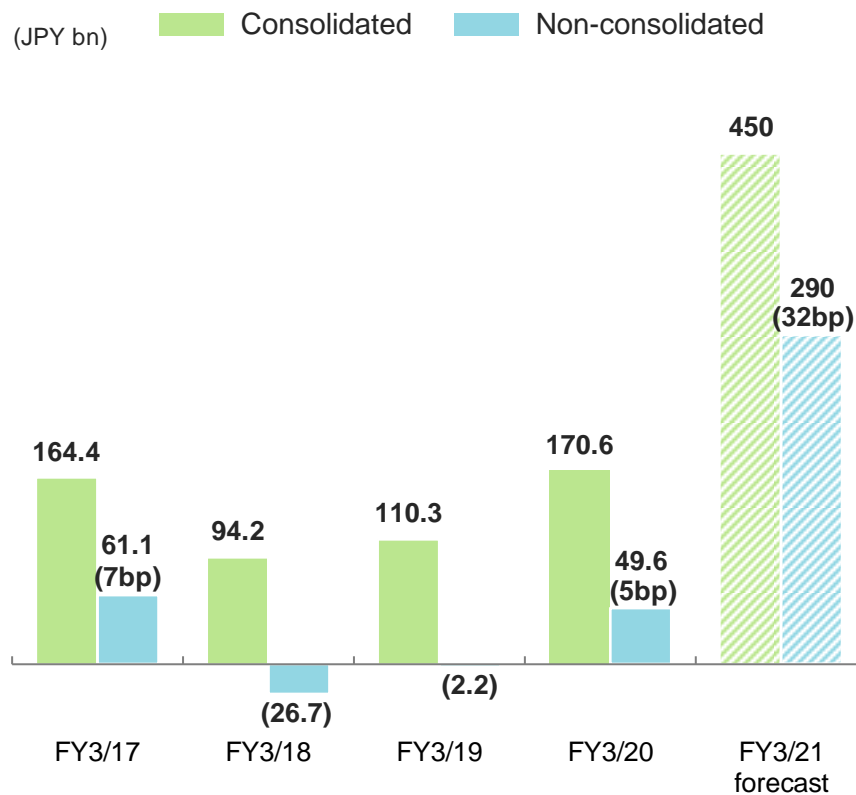


*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

*2 Monthly average loan spread of existing loans

Asset quality

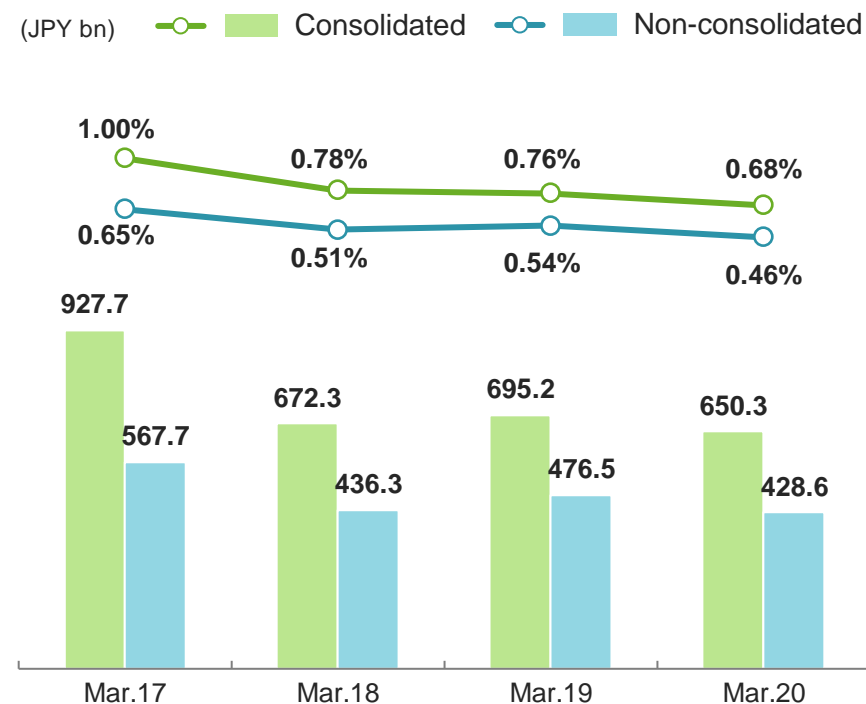
Credit costs^{*1}



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

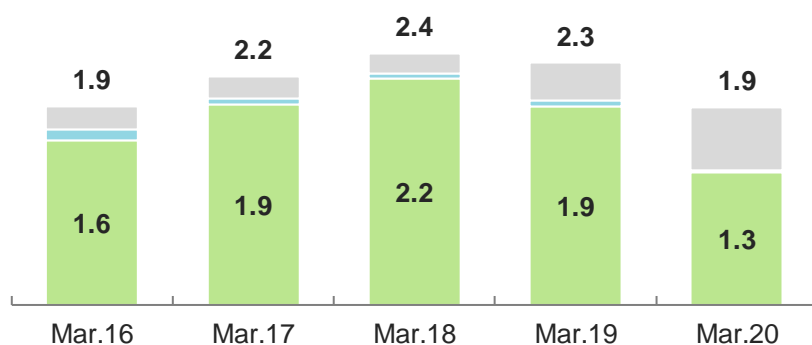
Securities (1)

Breakdown of other securities (consolidated)

	B/S amount		Unrealized gains (losses)	
	Mar.20	vs Mar.19	Mar.20	vs Mar.19
(JPY bn)				
Total	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

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

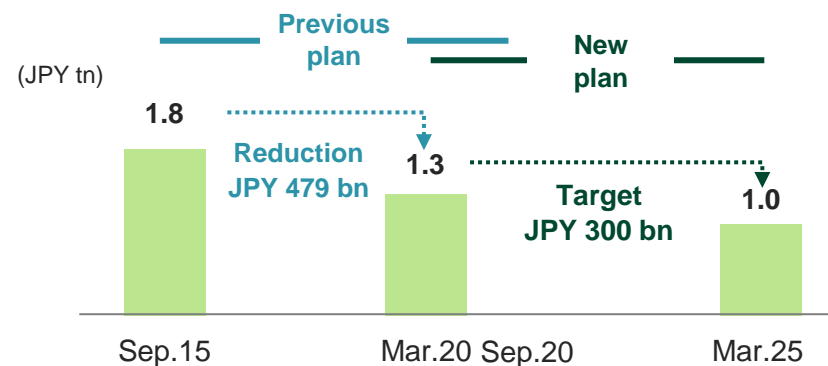


Strategic shareholdings

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

New reduction plan

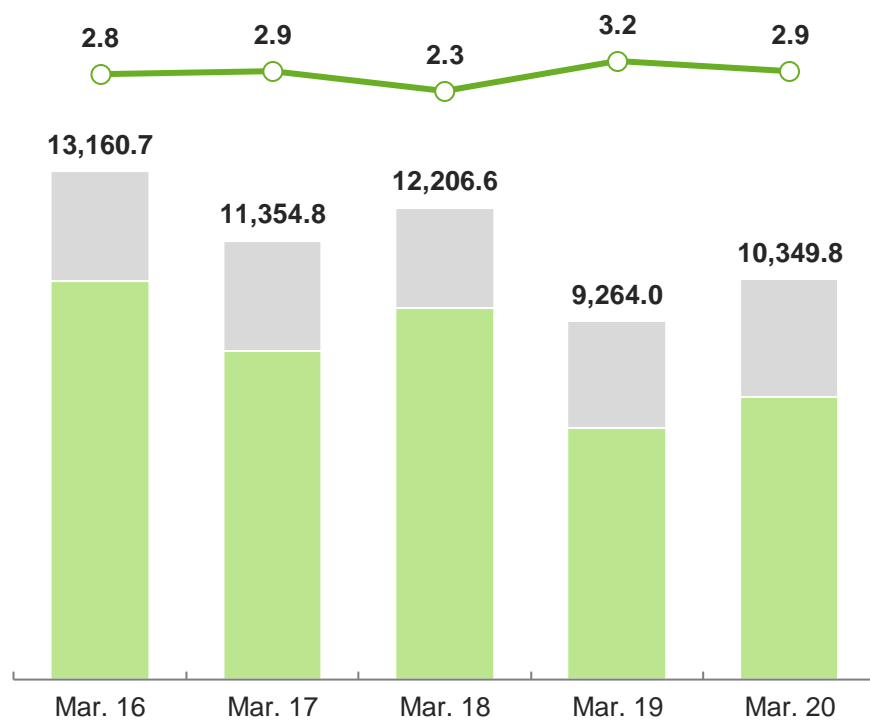
Reduce JPY 300 bn in 5 years (FY3/21-FY3/25)



Securities (2)

Yen-denominated bonds (consolidated)

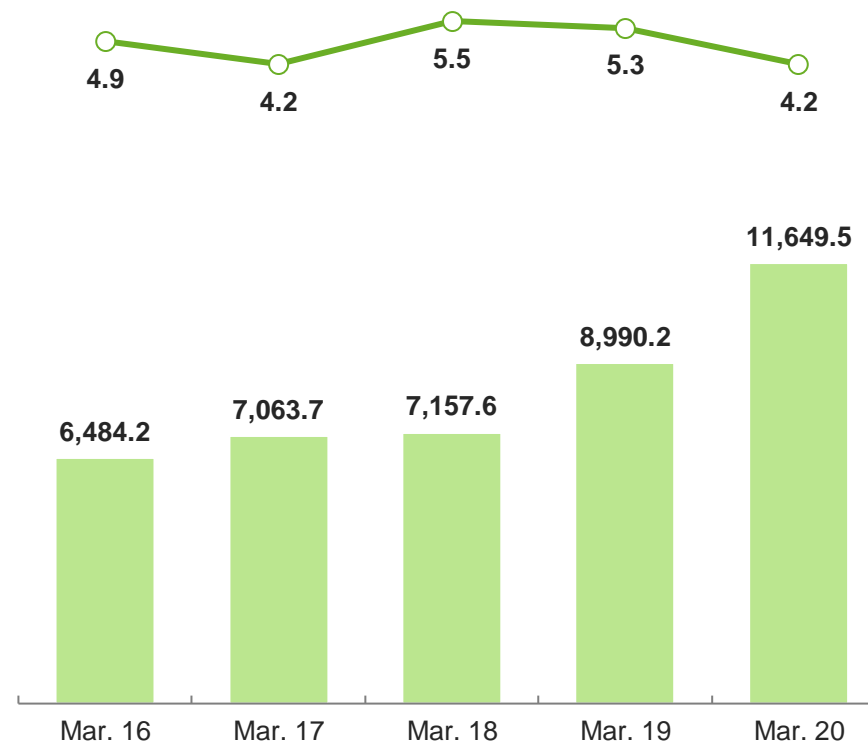
(JPY bn) o/w JGBs Others Duration (years)^{*1}



Unrealized gains(losses)	67.3	46.5	61.3	21.7
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Foreign bonds (consolidated)

(JPY bn) B/S amount Duration (years)^{*1}



Unrealized gains(losses)	(110.6)	(159.4)	(28.4)	255.7
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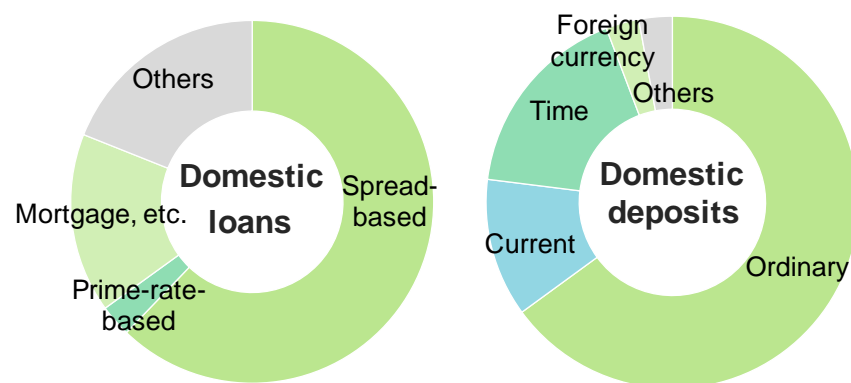
^{*1} Non-consolidated. Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero.

Balance sheet

Consolidated

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

Composition of loans and deposits^{*2}



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

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

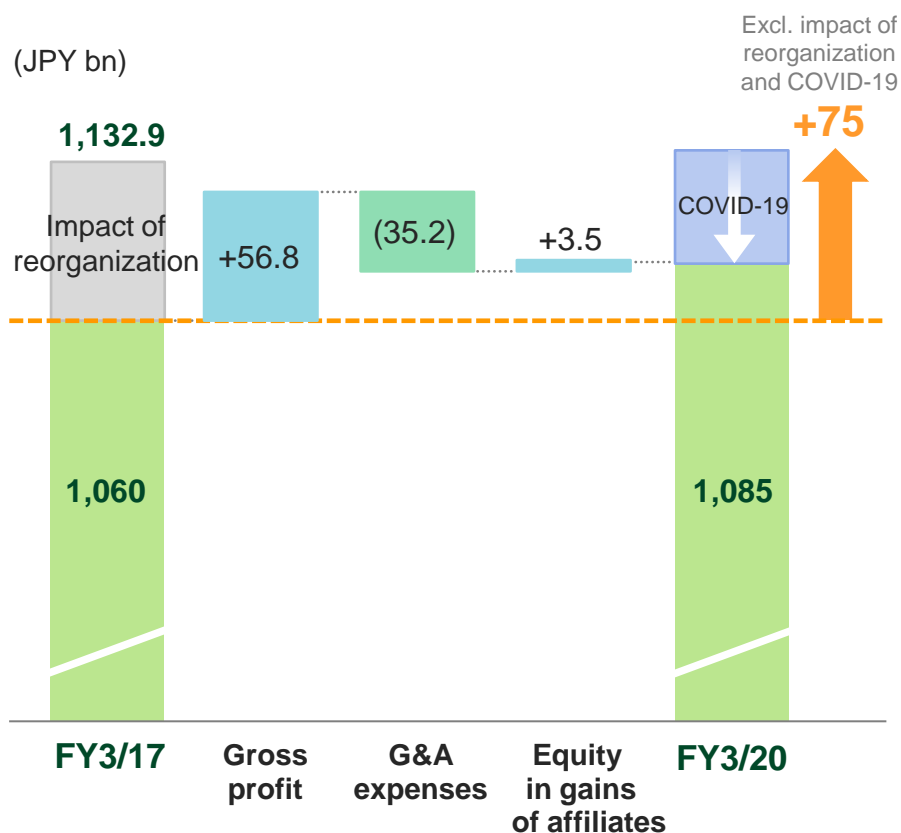


III. New Medium-Term Management Plan

Review of previous plan (FY3/18-FY3/20)

Net business profit increased by JPY 75 bn over the three-year period.
Achieved financial targets of ROE and CET 1 ratio.

Consolidated net business profit



Financial targets

	FY3/17	FY3/18	FY3/19	FY3/20	Target
ROE	7.8%	8.8%	8.2%	7.6%	7-8%
OHR	62.1%	60.9%	60.3%	62.8% 62.0% (excl. impact of reorganization)	vs. FY3/17 (1)%
CET1 ratio	8.3%	9.5%	10.3%	9.8%	10%

Review of previous plan (FY3/18-FY3/20)

Steadily executed key measures in line with the core policy (Discipline, Focus, and Integration).

Discipline

- Reorganized group structure to raise capital and asset efficiency
▶ P.20
- Achieved **JPY 54 bn** of cost reductions (target: JPY 50 bn)

Business reforms to improve efficiency	JPY 23.5 bn
Retail branch reorganization	JPY 20.5 bn
Reorganization of group companies	JPY 10.0 bn

Focus

Retail

- Balance of fee-based AUM **JPY +1.1 tn**
- Credit card sales handled **JPY +5.8 tn**

Wholesale

- **#1** in M&A advisory deals
- **#2** in IPO deals

Global

- # of active book runner transactions **x2.6**
- Multi-franchise strategy revenue in Indonesia **JPY +34.6 bn**

Global markets

- S&T profits **JPY +37.6 bn**
- **Nimble portfolio management**

▶ P.78-81

Integration

- Enhanced governance framework to sophisticate group management
 - **Business unit, CxO system**
 - **Company with Three Committees**
 - **Raised % of outside directors to 47%**

- Digitalization in all aspects

Cashless payment:
Next-generation payment platform

stera
the Payment Platform.

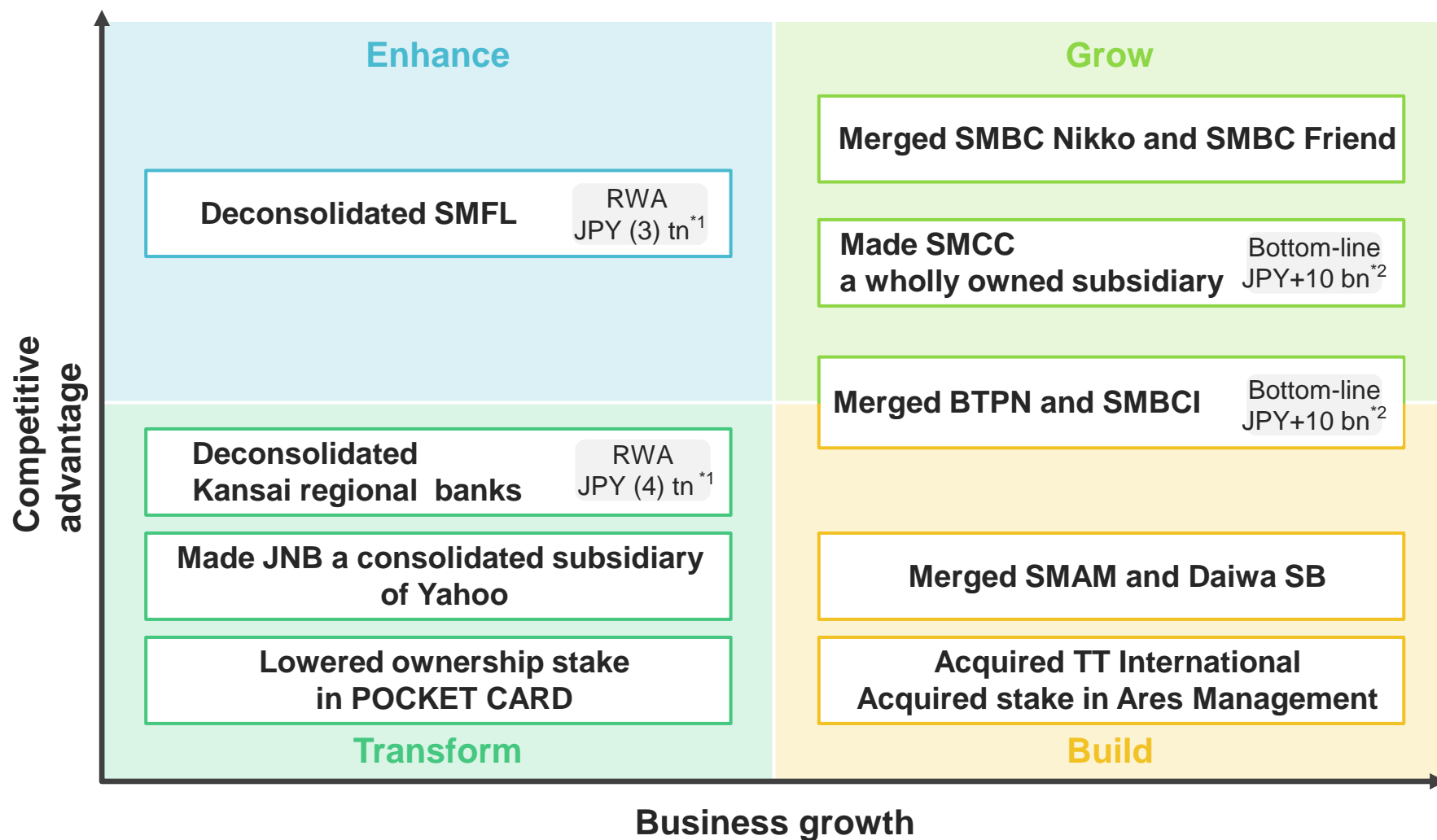
Improved efficiency:
Reduced workload of 3.5 mn hours using RPA

Started new businesses:
Established 8 subsidiaries



(Ref.) Transformation of business and asset portfolio

Improved capital and asset efficiency through group reorganization



*1 Post Basel III reforms basis

*2 Calculated the impact from the change of ownership ratio (excl. one-time impact)

Business environment

Further reforms are inevitable to realize sustainable growth as we face global recession and irreversible structural changes.

Global economy

COVID-19



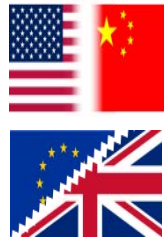
Recession

GDP growth rate



2019 2020-22

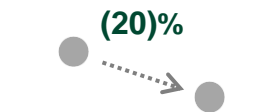
Geographic risk



Japanese economy

Depopulation / aging

Productive population



2020 2040

Recession

GDP growth rate



2019 2020-22

Continuous low interest rate

Policy rate

(0.1)%

16/1

Customer

Own to use



Digital native generation

Generation Z
(born in 1995-2010)

2.5 bn

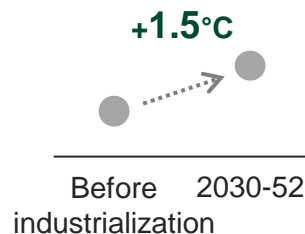
Millennials
(born in 1980-1995)

2.4 bn

Climate change

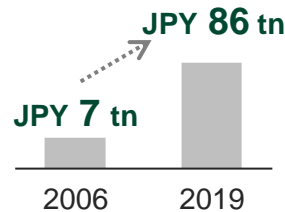
Global warming

Global temperature



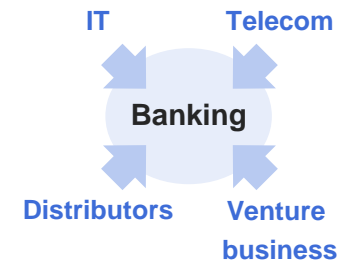
ESG investment

AuM of PRI signatories



Competition

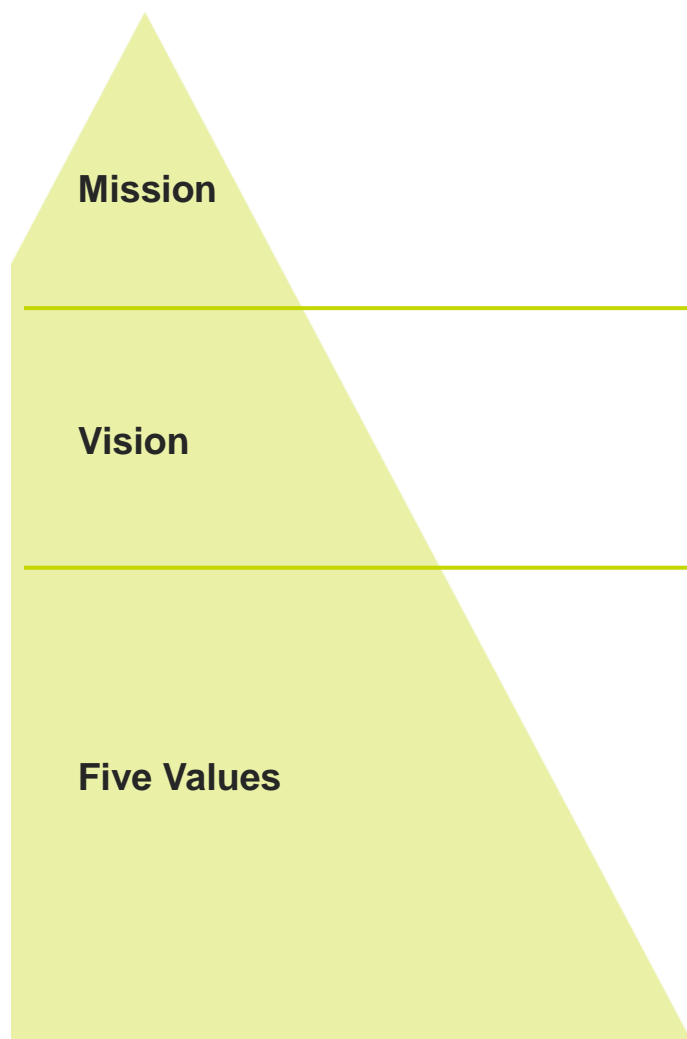
New entrants



Review regulations



Our new mission, vision, and values



- We grow and prosper together with our customers, by providing services of greater value to them.
 - We aim to maximize our shareholders' value through the continuous growth of our business.
 - We create a work environment that encourages and rewards diligent and highly-motivated employees.
 - **We contribute to a sustainable society by addressing environmental and social issues.**
-
- **A trusted global solution provider committed to the growth of our customers and advancement of society**
-
- **Integrity**
 - Customer First
 - Proactive & Innovative
 - Speed & Quality
 - Team “SMBC Group”

Core Policy of the new Medium-Term Management Plan

Mid-long term Vision

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

Future directions **1** Data oriented **2** Building platforms **3** Solution provider

Core Policy

Business
strategy

Transformation

Transform existing businesses

Growth

Seek new growth opportunities

Management
base

Quality

Elevate quality in all aspects

Our vision

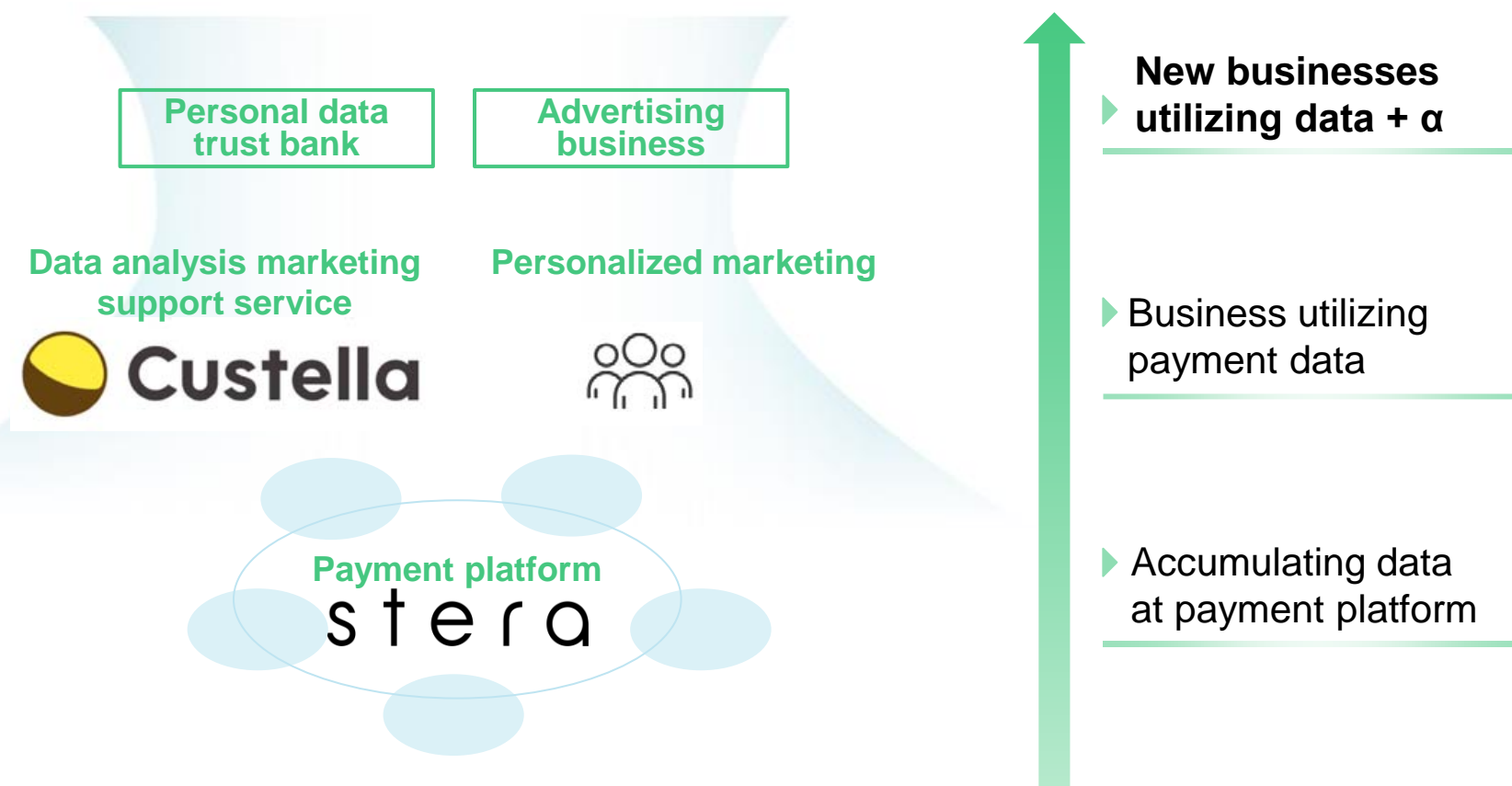
Future directions

1 Data oriented

2 Building platforms

3 Solution provider

e.g. Utilize cashless payment data



Our vision

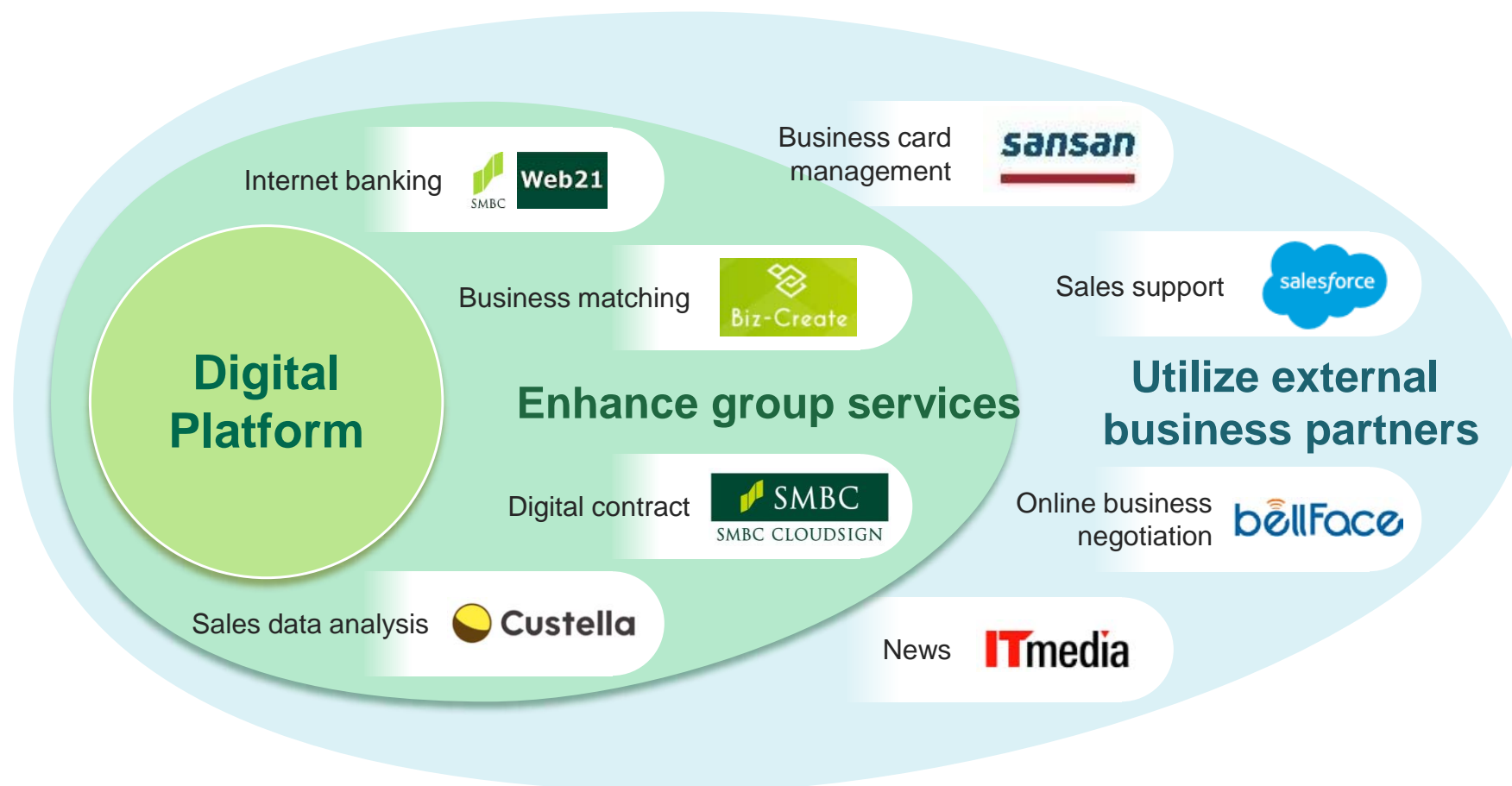
Future directions

1 Data oriented

2 Building platforms

3 Solution provider

e.g. Build a corporate digital platform



Our vision

Future directions

1 Data oriented

2 Building platforms

3 **Solution provider**

e.g. Enhance solution providing capability for corporate customers

Customer

Provide comprehensive solutions

Front office

TB division

Payment

Payment #1

PA division

Business succession

CA division

M&A

M&A advisory deals #1

Group companies

SMBC Nikko

SMFL

Top three securities companies

Domestic top tier

Treasury solution Dept.

FX • interest rate

FS division

Project finance

Global bank of the year 2019

M&A finance
Real estate finance
PE investment

Sustainable Business Promotion Dept.

Sustainability

Corporate Digital Solution Dept.

Digital

Polarify

PAYSLE

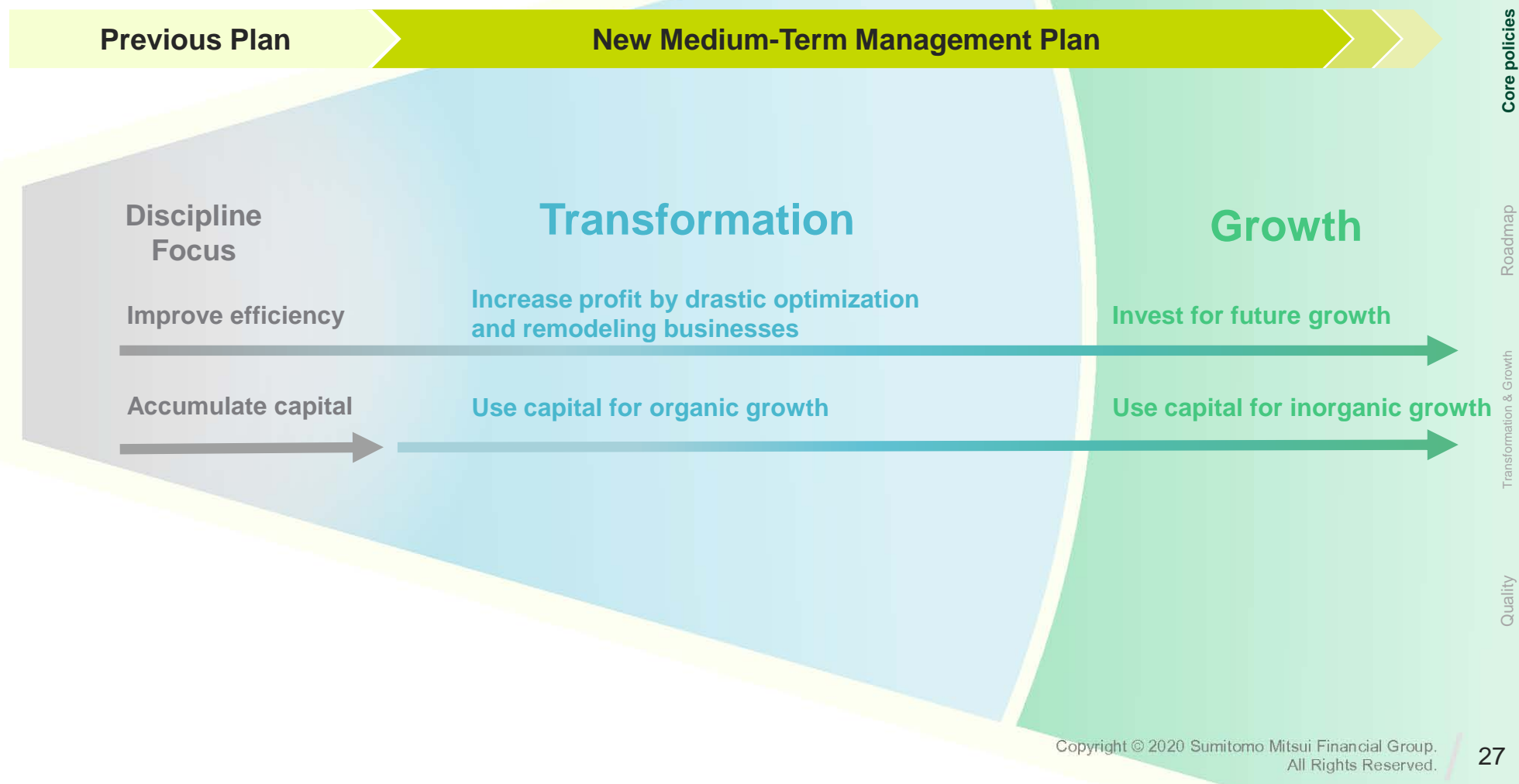
NCore

SMBC VALUE CREATION

SMBC CLOUDSIGN

Business strategies – Transformation & Growth –

Transform businesses to overcome intense competition and create new value for future growth.



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 and strengthen digital banking in Asia

7

Develop digital solutions for corporate clients

Quality

Elevate quality in all aspects

ESG

- Contribute to realize a sustainable society
- Enhance corporate governance suitable for a global bank

Resource management

- Sophisticate HR management to motivate employees
- Build flexible and robust IT/cyber infrastructure

Business management

- Enforce sound risk-taking
- Pursue efficient and scientific management

Roadmap to 2022 (1) Financial Targets

Profitability

Maximize profitability
by increasing bottom-line profit
and disciplined capital
management

Efficiency

Reduce cost
while investing for growth

Financial soundness

Secure ample level of capital
on a post-Basel III reforms basis

Target for FY3/23

ROCE1 \geq 8.5%

Changed to CET1 in line with CET1 ratio target

**Base expenses^{*1}
 $<$ FY3/20 results**

Purse both cost reduction and growth investment

CET1 ratio **C.10%**

Post-Basel III reforms basis (excl.OCI)

FY3/20 results

9.5%

JPY 1,530 bn
(vs. FY3/17 +JPY 70 bn)

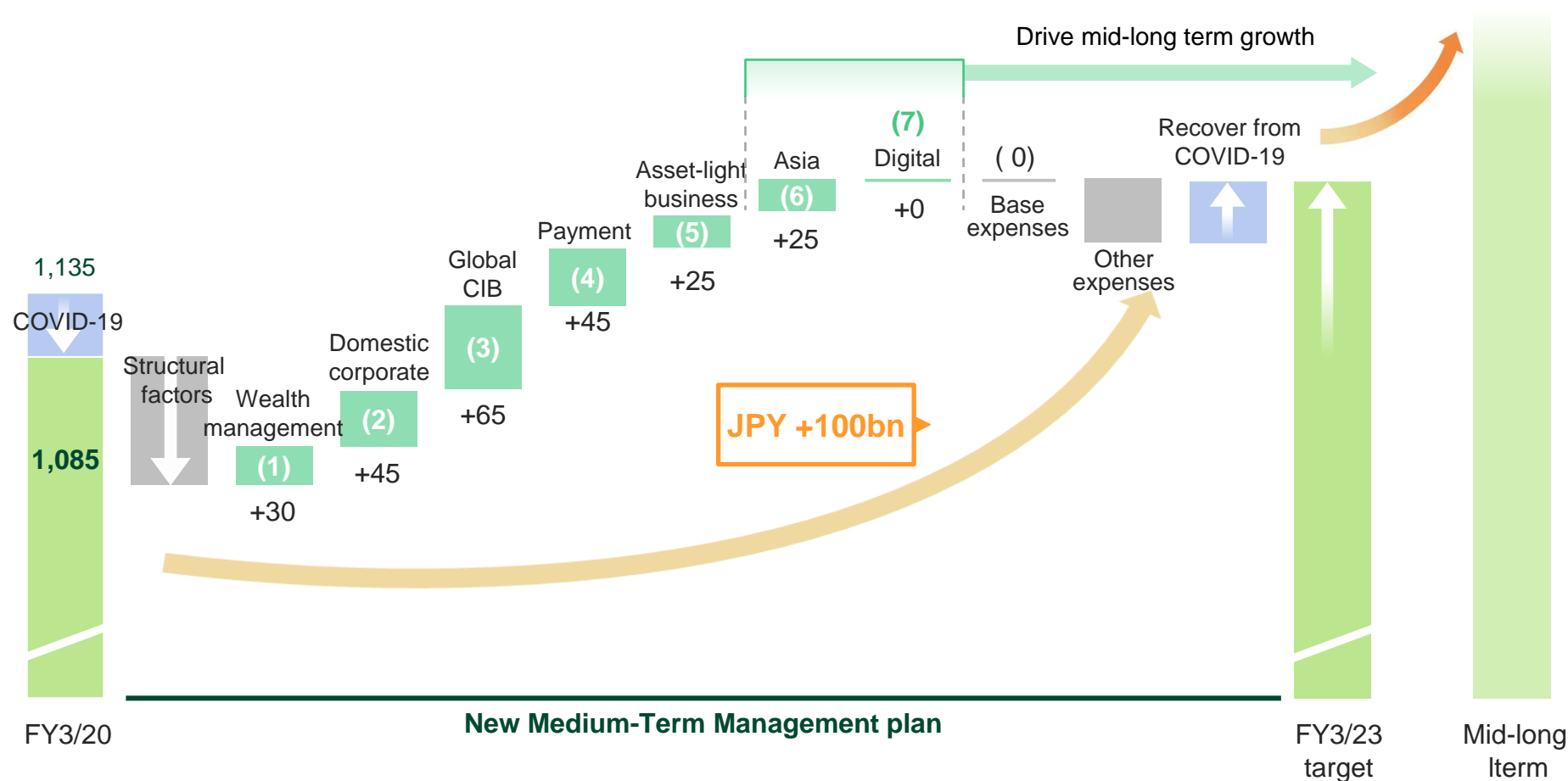
9.8%

*1 G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others

Roadmap to 2022 (2) Profit

Increase consolidated net business profit by JPY +100 bn by transforming existing businesses and investing for growth. Negative impact from COVID-19 is expected to disappear by FY3/23.

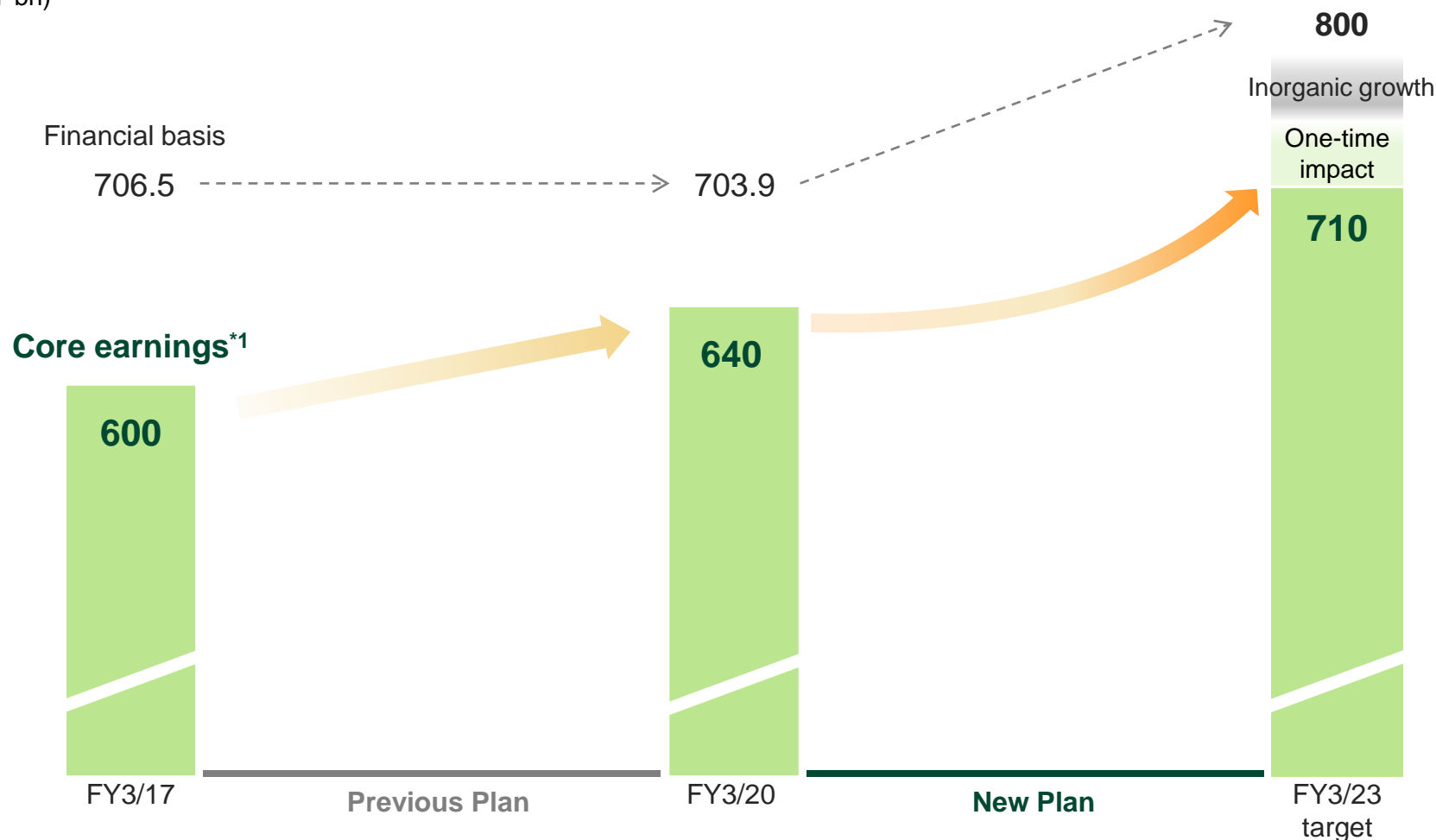
(JPY bn)



Roadmap to 2022 (2) Profit

Increase bottom-line profit to over JPY 700 bn on a core earnings basis.

(JPY bn)



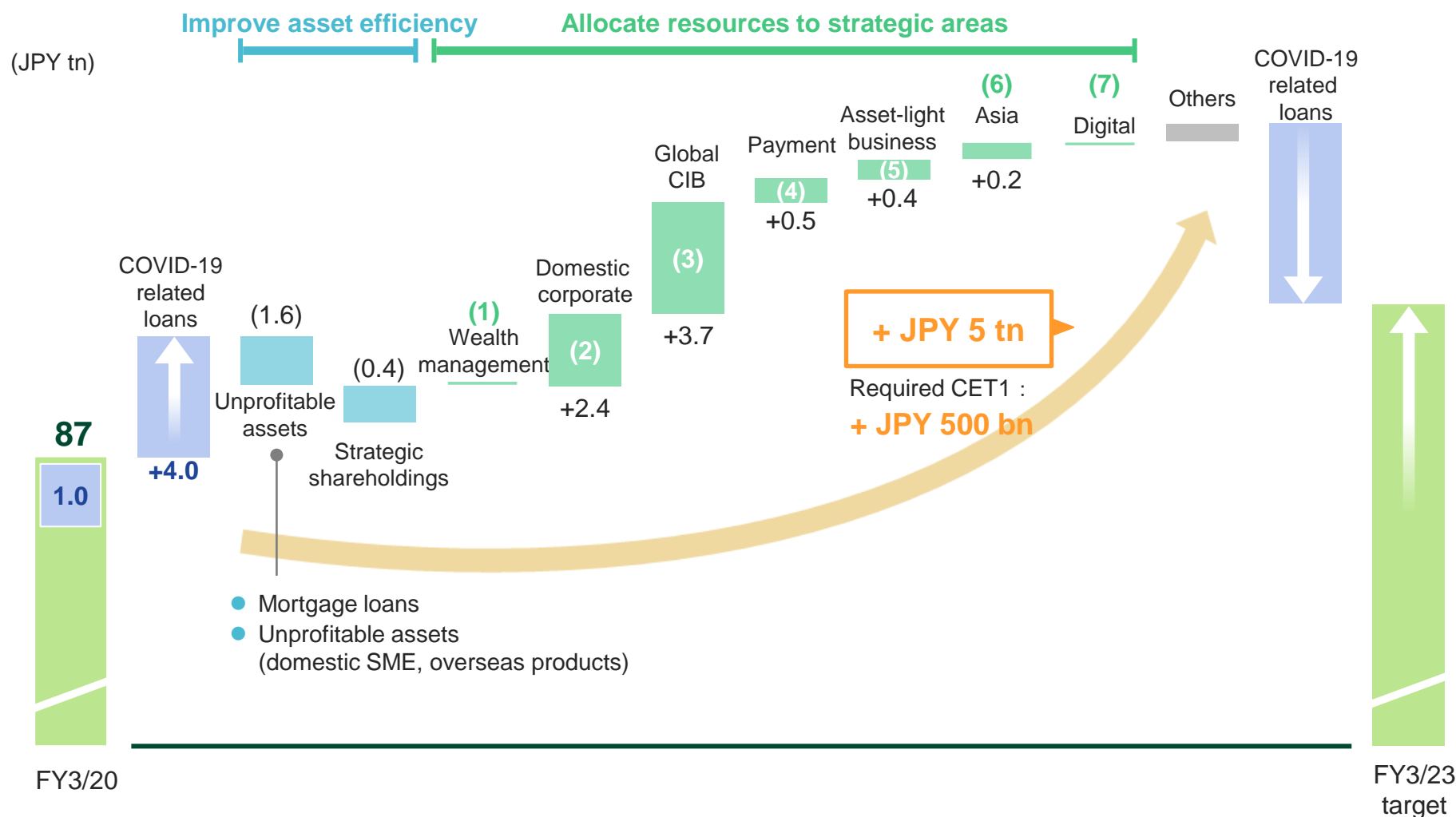
*1 Difference from financial basis:

FY3/17) impact from introducing consolidated tax system

FY3/20) gains exceeded the target on sales of strategic shareholdings and one-time impacts from group reorganization

Roadmap to 2022 (3) RWA

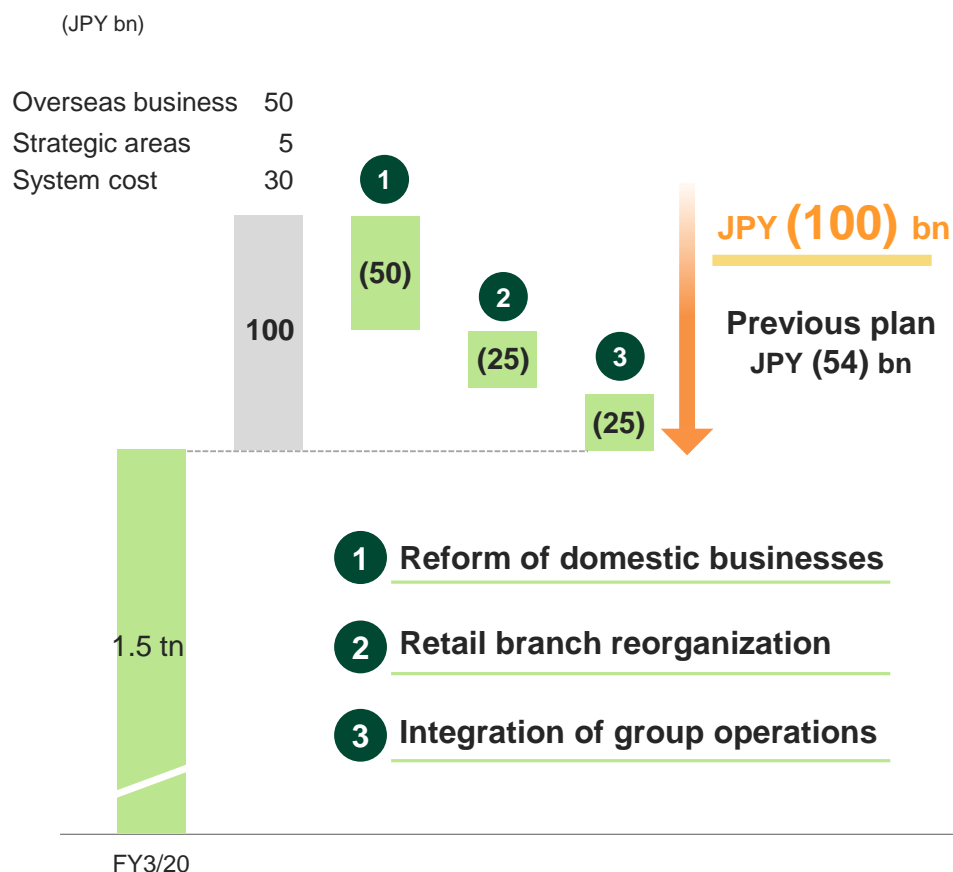
Allocate capital in growth areas while reducing unprofitable assets.



Roadmap to 2022 (4) Cost

Continue to control cost aiming to double the reduction amount of the previous plan (to JPY 100 bn).
Manage base expenses to flexibly invest for future growth.

Change in base expenses for coming three years



Control of base expenses

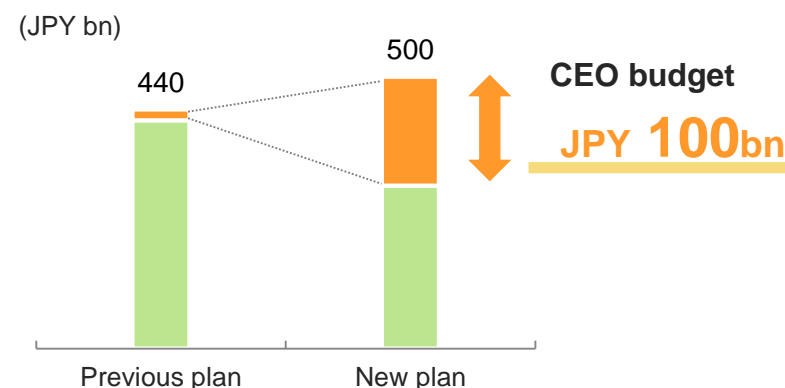
SG&A expenses

FY3/20 results
JPY 1.7 tn

-) Related to investment for future growth
-) Revenue-linked variable cost
-) One-time impact

=> **Base expenses** JPY 1.5 tn
90% of total

Increase IT investment for future growth



Roadmap to 2022 (4) Cost

Key initiatives of cost reduction

1 Reform of domestic businesses

JPY 50 bn

Reform of retail business

- Optimize resource allocation of wealth management business
- Digitalize mortgage loan procedures

Reallocate workforce of domestic wholesale business

- Key strategy (2) P.39-40

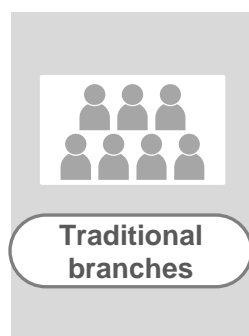
Reduce headcounts of headquarters

- (30)%

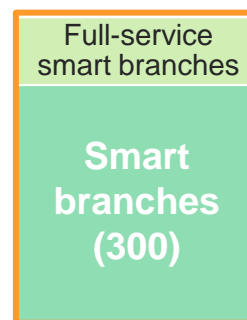
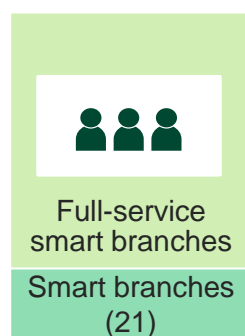
2 Retail branch reorganization

JPY 25 bn

Previous plan



New plan



Increase smart branches to improve profitability

Improve efficiency of back office operations

Workload reduction

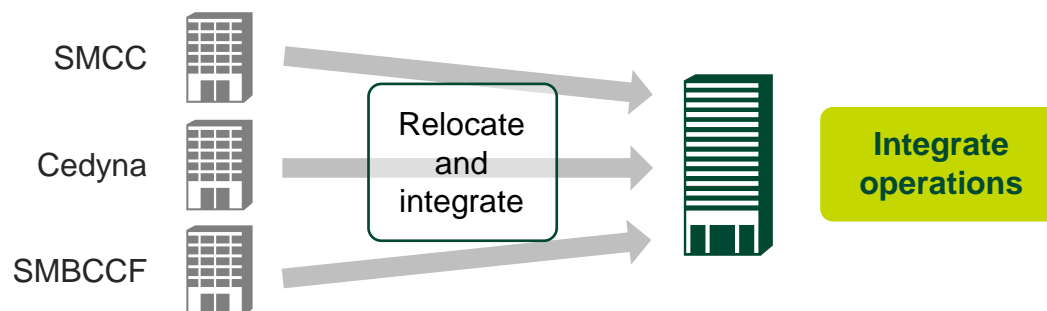
2.2K people
(Previous plan: 2.2K people)

Roadmap to 2022 (4) Cost

3 Integration of group operations

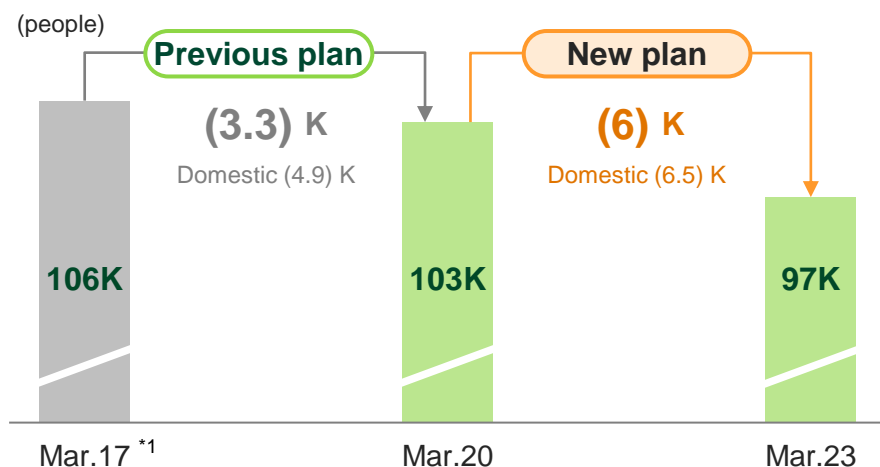
JPY 25 bn

- Relocate SMCC and SMBCCF to integrate operations
- PMI of asset management business
- Consolidate data centers / base systems of group companies



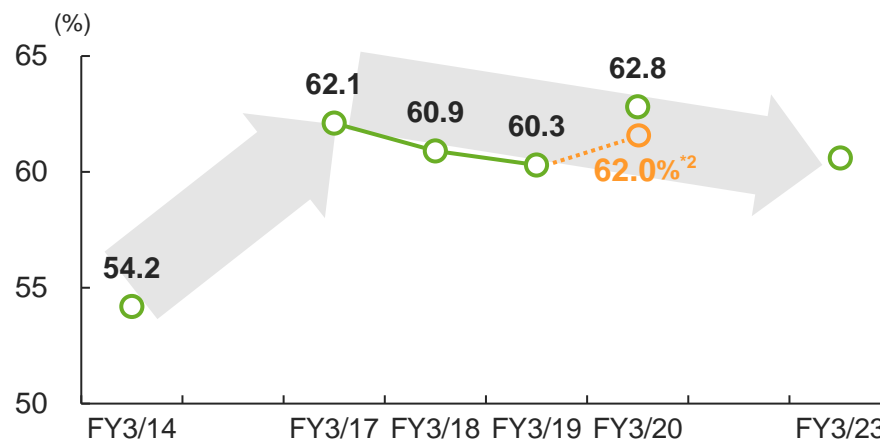
Headcount

Double number of natural attrition



OHR

Expected to be lowered to c.60%



*1 Added the impact of group reorganization retrospectively *2 Excluding impact of group reorganization

(1) Pursue sustainable growth of wealth management business

Key strategies

Reallocate management resources by customer segment

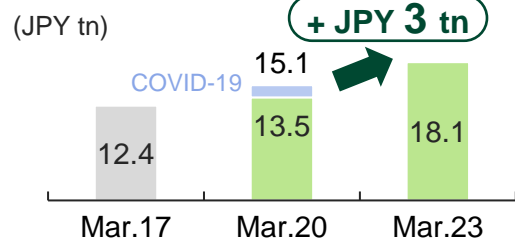
Enhance capability for HNWI business
Strengthen mass affluent business through digitalization

Lower the break-even point

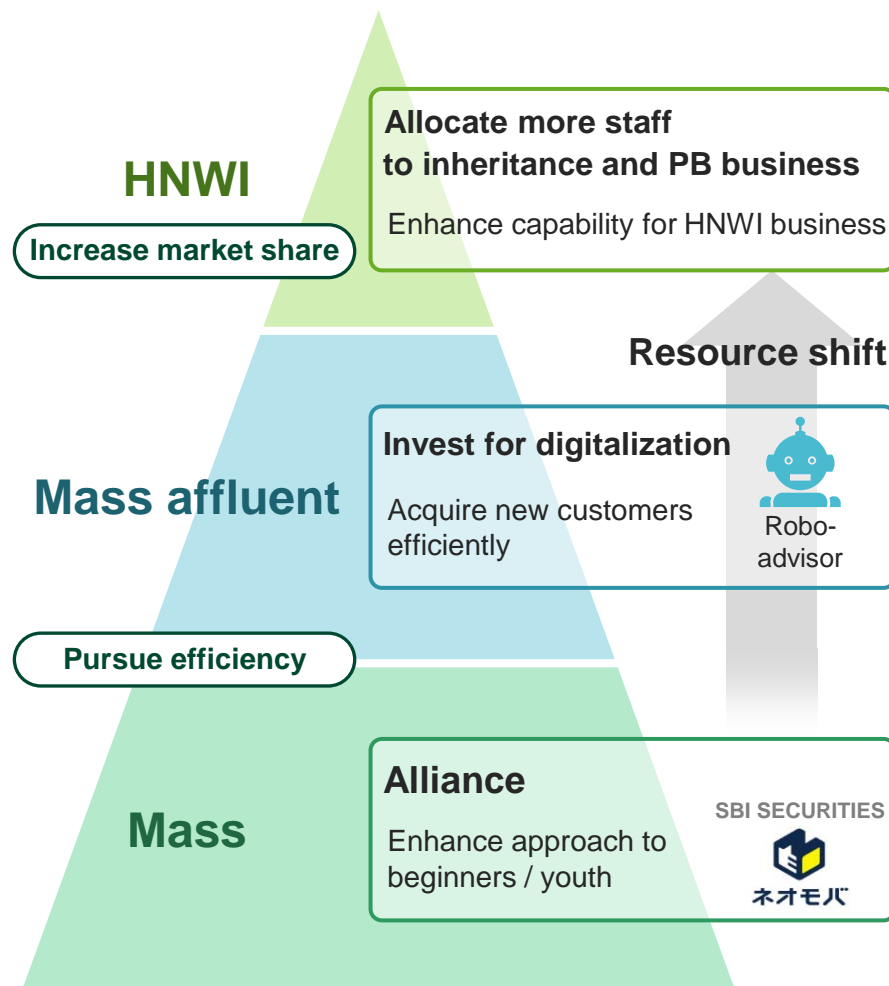
Promote self-trading
Utilize digital channels

KPI

Fee-based AUM



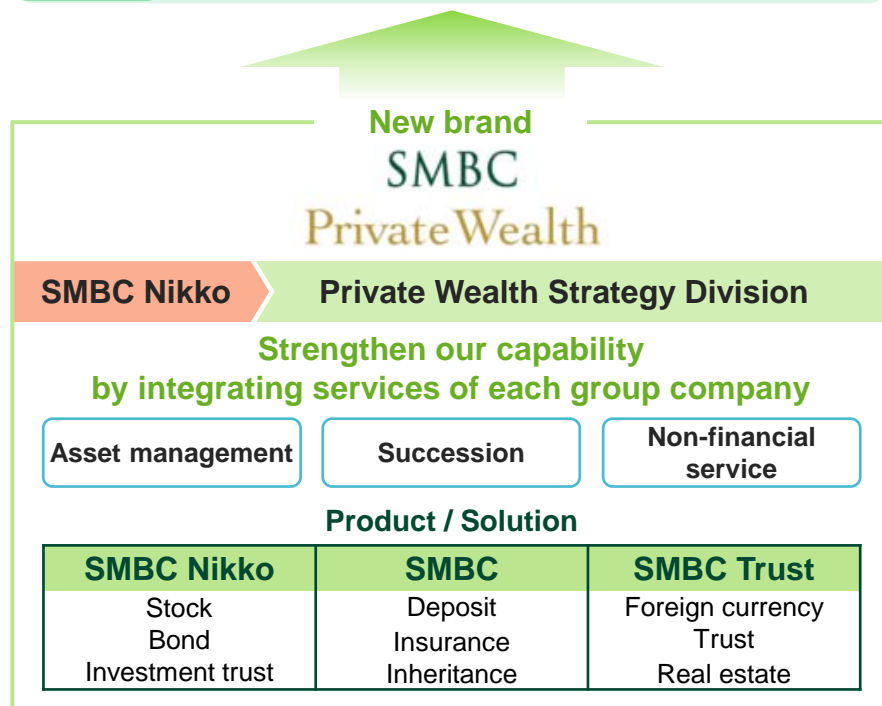
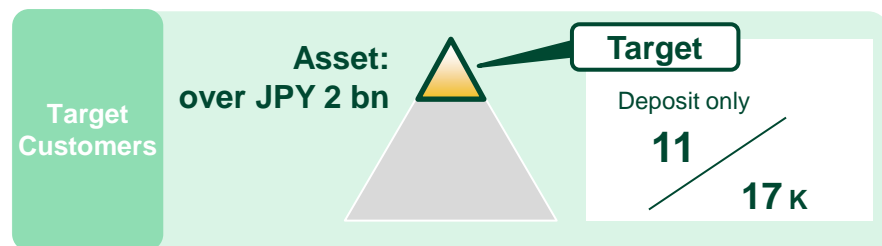
Reallocate resource by segment



(1) Pursue sustainable growth of wealth management business

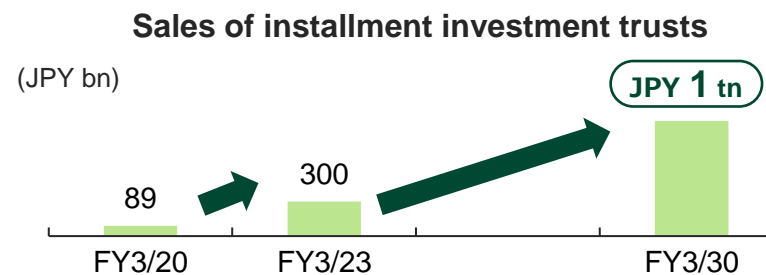
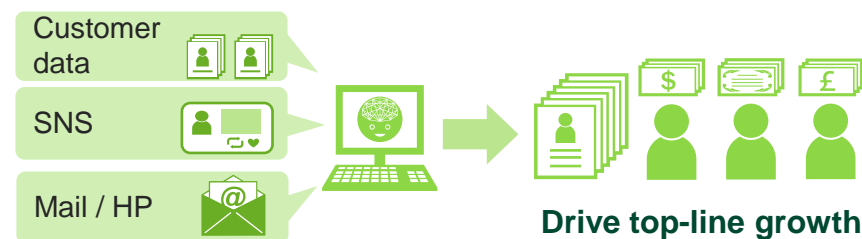
Enhance capability for HNWI

- Expand business mainly with business owners



Strengthen mass affluent through digitalization

- Personalized marketing



Lower the break-even point



(2) Improve productivity and strengthen solutions in the domestic wholesale business

Key strategies

Accelerate profit growth

Continue growth of loan income which increased YoY for the first time in 10 years

Enhance fee income by providing solutions

Provide total solutions on a group basis

Expand product line-up in strategic areas

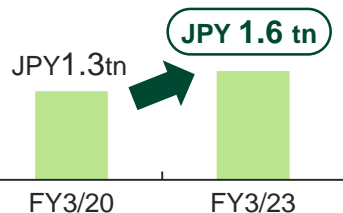
Shift management resource to businesses with high profit potential

KPI

Initiatives in growing area

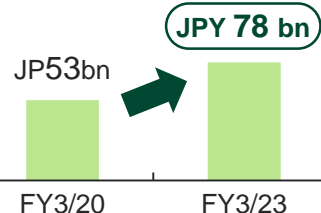
Loan

Real estate	LBO	Infra-structure	Re-structuring
-------------	-----	-----------------	----------------

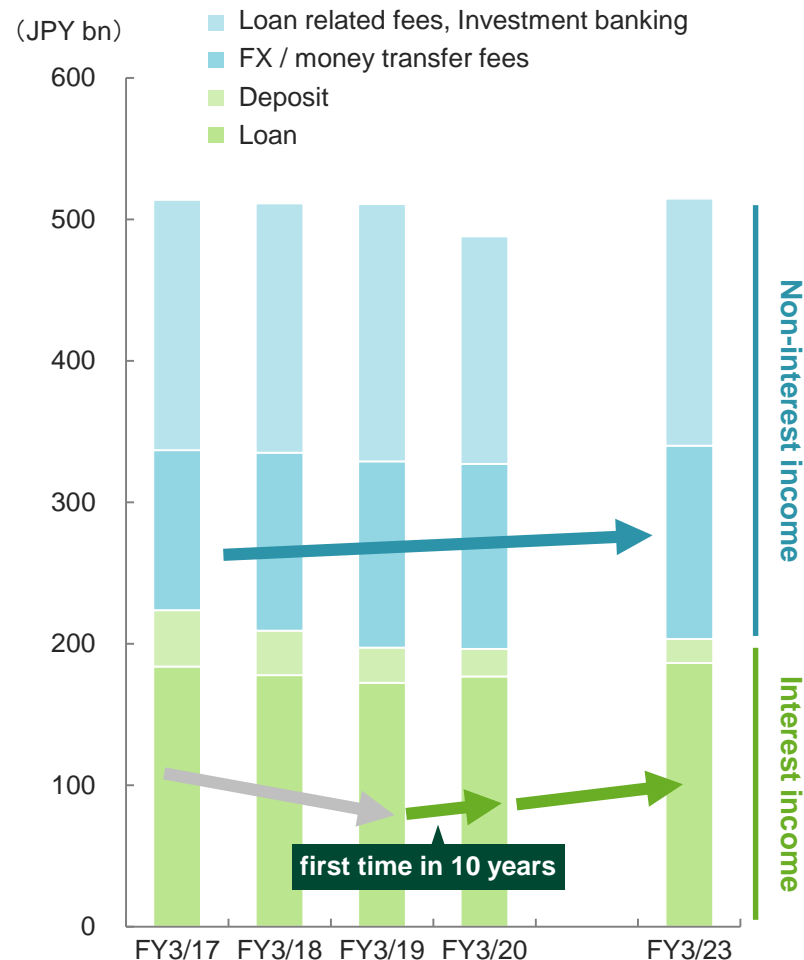


Equity

PE	Re-structuring	Real estate	Alternative
----	----------------	-------------	-------------

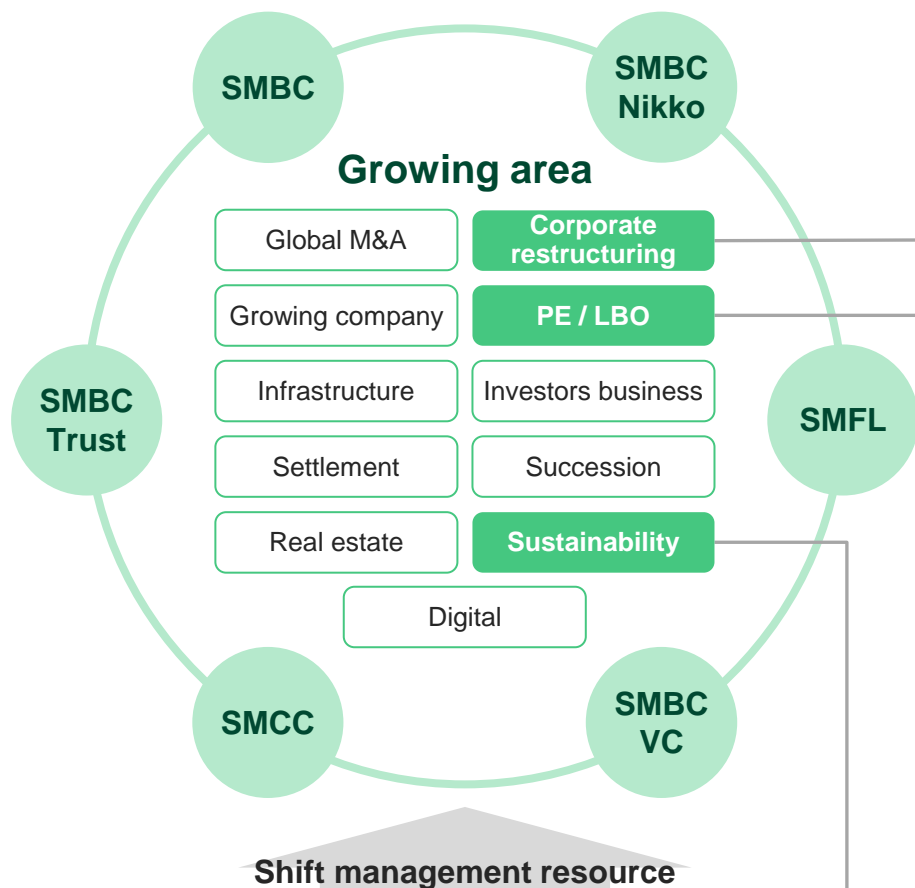


Accelerate profit growth with the decline of loan income bottoming out



(2) Improve productivity and strengthen solutions in the domestic wholesale business

Provide total solutions on a group basis



✓ Corporate restructuring

Bankrupt company



Reconstruction



DIP finance
Corporate reconstruction investment
Consulting / Real estate brokerage
FA (Sponsor selection)
Exit finance / IPO

Become a main financing bank after completing reconstruction

✓ PE / LBO

Carve-outs of large corporations and business succession

LP investment JPY +20 bn
Mezzanine JPY +50 bn
LBO loan JPY +400 bn

**Interest income
Commission fee
M&A / IPO fee**

✓ Sustainability

Established a specialized department to enhance products

ESG/SDGs
assessment loan

Project finance
(renewable energy)

ESG bonds

Lease
energy saving
equipment

(3) Enhance overseas CIB business to improve asset / capital efficiency

Key strategies

Increase cross-selling by leveraging group strengths

Enhance securities business mainly in the U.S.

Raise competitive edge in overseas products

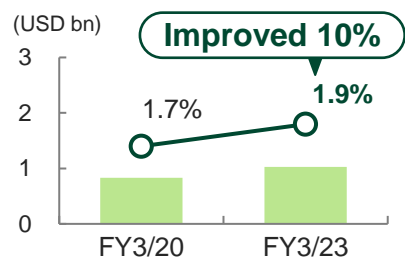
Enhance investor business

Further promote O&D

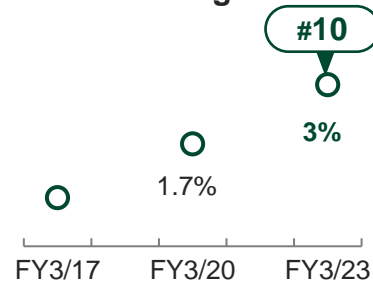
Increase non-flow products

KPI

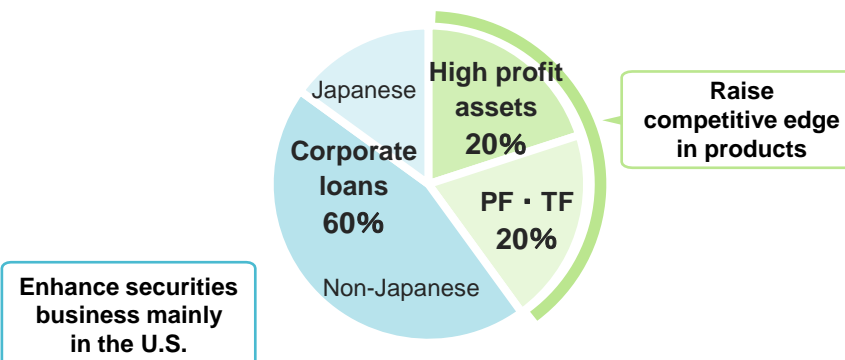
ROFA*1 / gross profit*2



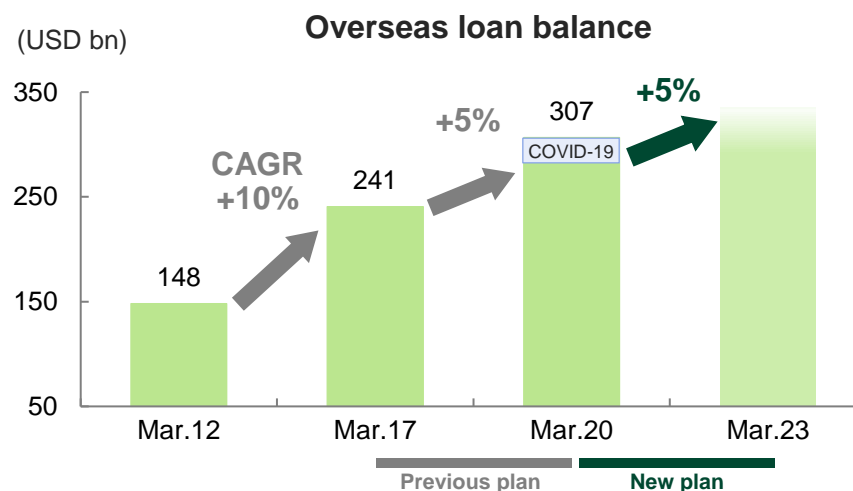
US IG bonds underwriting share



Cross-sell by leveraging group strengths



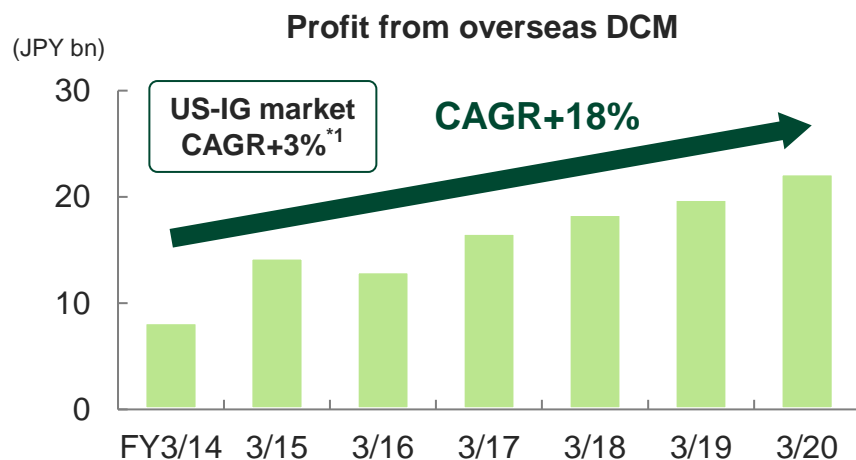
Pursue growth without excessively relying on B/S expansion



(3) Enhance overseas CIB business to improve asset / capital efficiency

Expand securities business mainly in the U.S.

✓ Pursue growth on a group basis



US IG bonds league table*1

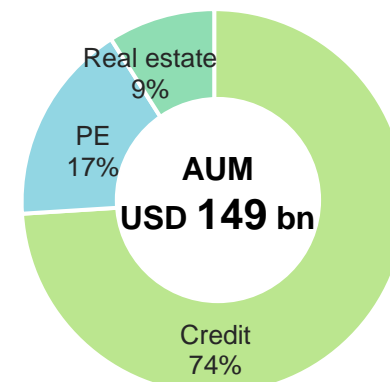
	Company	Amount (USD bn)
1	JP Morgan	151
2	Merrill Lynch	147
3	Citi group	125
9	MUFG	44
10	Mizuho FG	36
15	SMBC group	23

Raise competitive edge in products



Collaboration

- Private credit
- Real estate finance
- Banking service for US companies



Enhance investors business



SMBC group

- O&D
- LBO
 - Subscription Finance
 - Project finance
 - Corporate loan

Replace assets to improve efficiency

Non-flow business

- ABS
- RMBS

Approach based on investment needs

Institutional investors

(4) Hold the number one position in payment business

Key strategies

Accelerate cashless payment strategy

Expand customer base of
both merchants and end-users

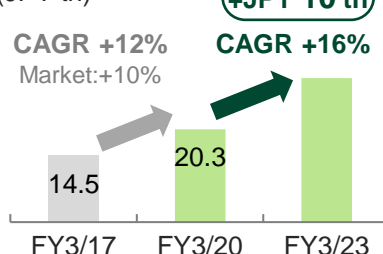
Develop payment business for corporate clients

Enhance consumer finance on a group basis

KPI

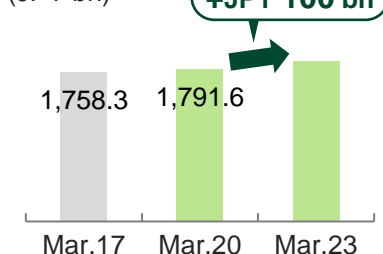
Credit card sales handled
(JPY tn)

CAGR +12%
Market: +10%



Balance of card loans*1
(JPY bn)

+JPY 100 bn

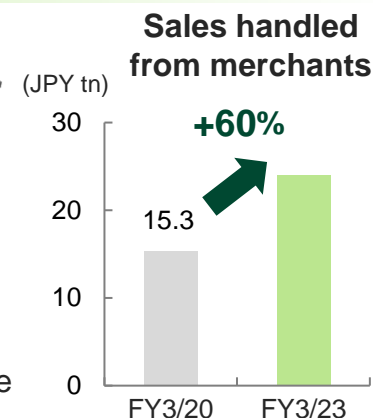


Accelerate cashless payment strategy

Accelerate building a payment platform

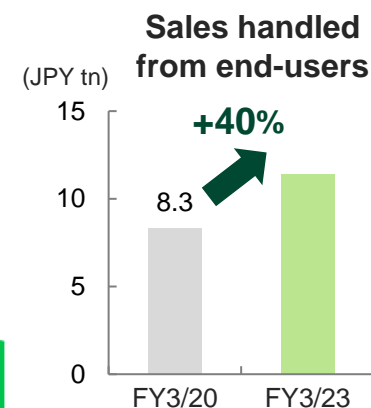


Data analysis marketing service



Enhance competitiveness in products

- Upgrade SMCC's credit cards and mobile app



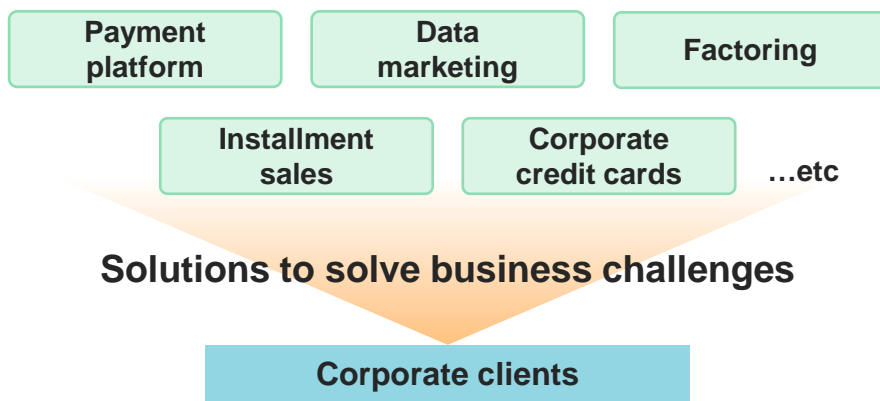
- Acquire new costumers through collaboration



(4) Hold the number one position in payment business

Payment business for corporate clients

Provide various payment functions

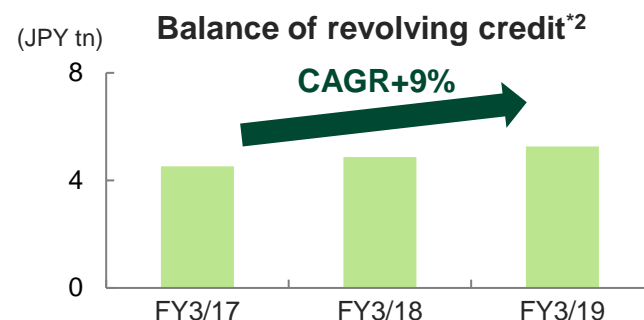


Provide new payment experience



Enhance consumer finance on a group basis

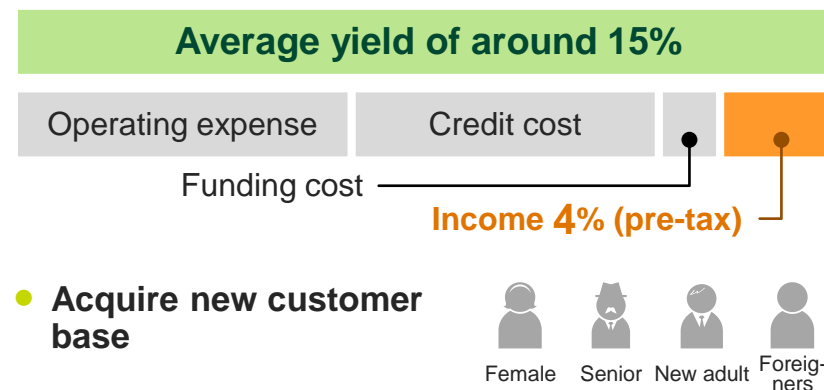
Increase revolving credit



Cashless payment : CAGR +9%

Enhance consumer finance business

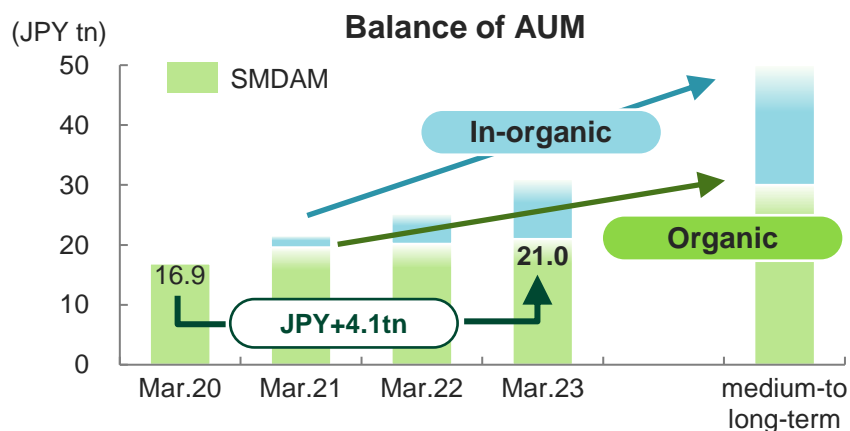
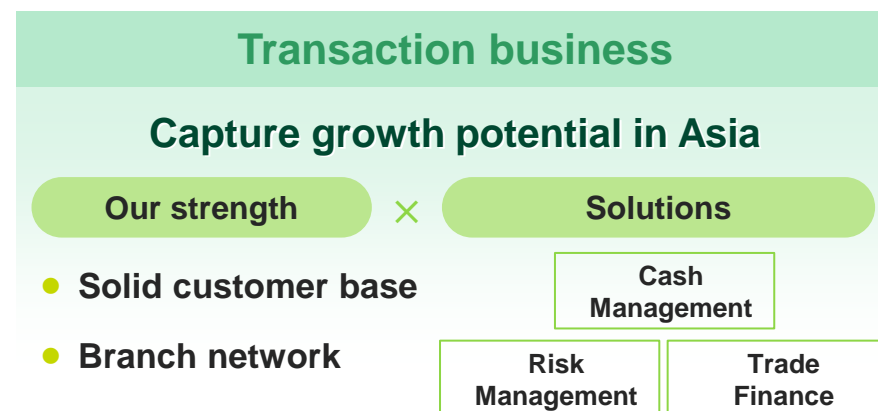
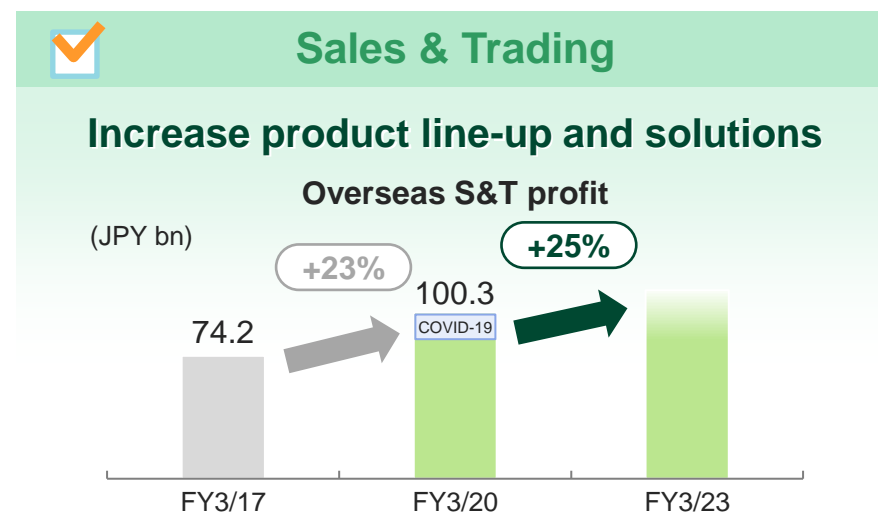
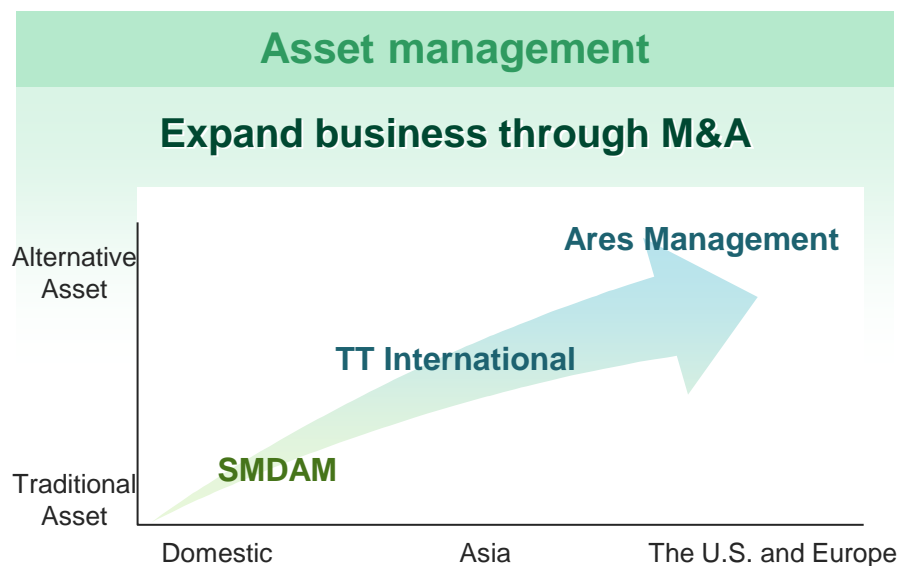
- Highly profitable business model



- Acquire new customer base

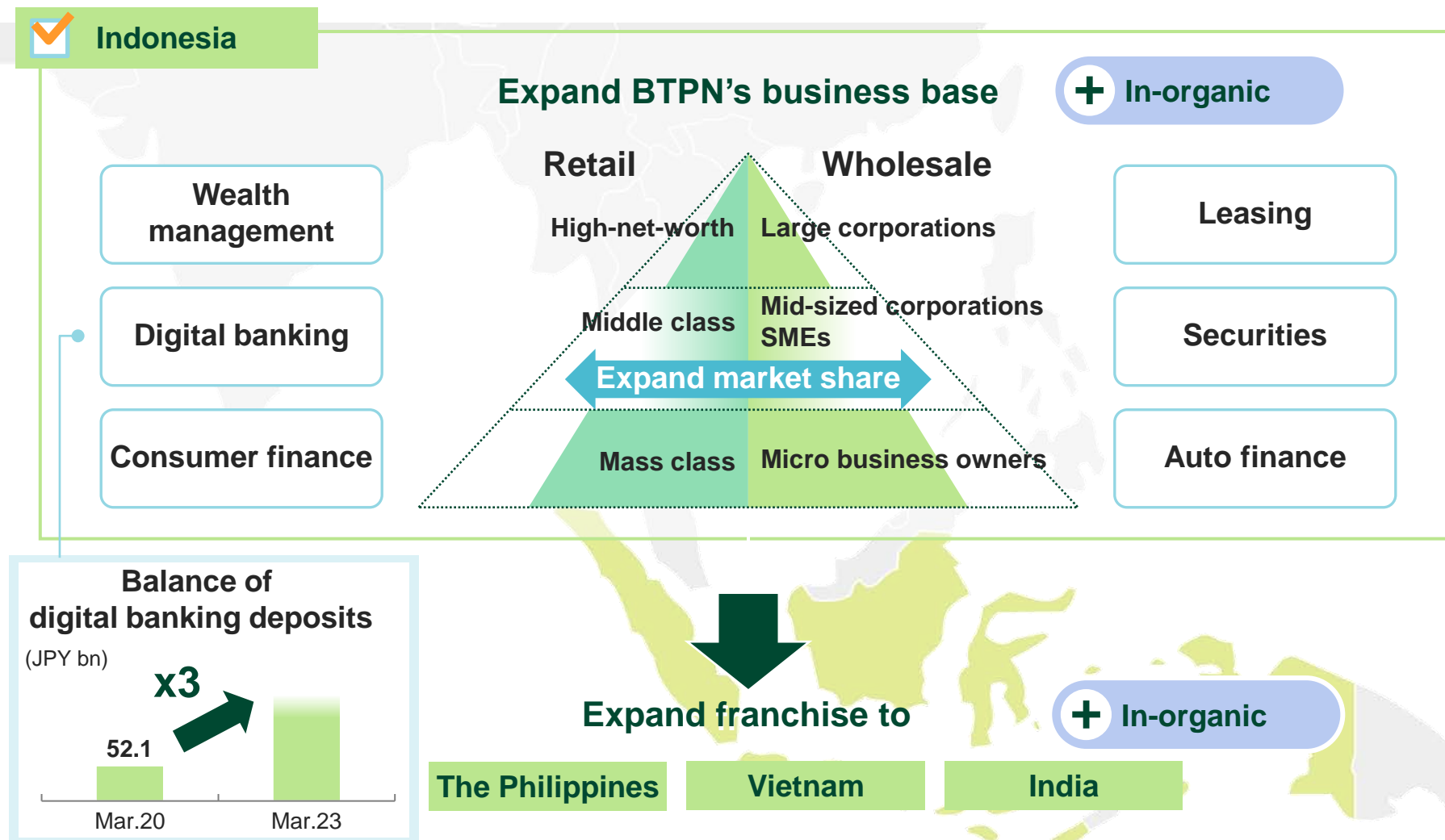
(5) Enhance asset-light business on a global basis

Grow asset-light business to one of our core businesses in mid-long term across regions and group entities.



(6) Expand franchise in Asia and strengthen digital banking

Accelerate multi-franchise strategy in Asia.



(7) Develop digital solutions for corporate clients

Create new business for clients leveraging our strengths.



Digital platform for corporates



Finance service platform for the construction industry







Cashless payment infrastructure

TOYOTA wallet



(Ref.) Financial targets by business unit

	ROCET ^{*1}		Net business profit ^{*1} (JPY bn)		RWA (JPY tn)	
	FY3/23	FY3/21-FY3/23 ^{*2}	FY3/23	FY3/21-FY3/23 ^{*2}	FY3/18-FY3/20 ^{*2}	FY3/21-FY3/23 ^{*2}
Retail	12%		305	+35	(0.3)	+0.4
Wholesale	9%		405	+45	(0.6)	+1.1
Global	9%		430	+70	+5.8	+2.5
Global markets	17%	 ^{*3}	365	(30) ^{*3}	(1.5)	+1.7

^{*1} Excluding the mid-long term funding costs and interest-rate risk associated to the banking account for global markets

^{*2} After adjustments of the changes of interest rates and exchange rates

^{*3} An increase of JPY 32 bn if excluding the amount exceeded the target due to gains on sales of bonds in FY3/20

(Ref.) M&A strategy

Pursue in-organic growth through strategic M&As while maintaining financial soundness and disciplined investment criteria.

Thorough discipline

Investment criteria

Fits with our strategy

ROCET1 \geq 8.5%

Risk is manageable

Optimize existing business portfolio

Past transactions

Kansai regional banks

SMFL

Target

1 Assets that promptly raise ROCET1

Highly profitable assets

Aircraft
leasing

LBO

New
businesses

Asset management

2 Investments for the future

Asia

Digital

Securities

Trust

Past transactions



Acceleration of sustainability management

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

Establish sustainability management

Oct.18

Corporate Sustainability Committee

- **Chairman** Group CEO
- **Members** CEO of group companies

Apr.20

Group Mission

Customers Shareholders
Employees Add Society



Statement on Sustainability

SMBC Group “GREEN x GLOBE 2030”

“Create the future of the earth and humanity with our customers”

Planning

KPIs

SDGs

Materiality

Environment

- ▶ Green Finance
- ▶ Green Bonds Issuance



Next Generation

Community

- ▶ Finance education
- ▶ Retail deposits in Asia



Human Resources

Governance

- ▶ Female managers
- ▶ Childcare leave



Engagement with stakeholders

Customers

Shareholders

Employees

Society

SMBC Group “GREEN x GLOBE 2030”



SMBC Group

GREEN**GLOBE****2030****Green Finance**KPI **JPY 10 tn** by 2030

Renewable energy



Environmental facilities



Green Bond underwriting



ESG/SDGs assessment loans

**CO2 Reduction**KPI **30% reduction** by 2030**Domestic 4 head office buildings**Convert **100%** electricity into renewable energy

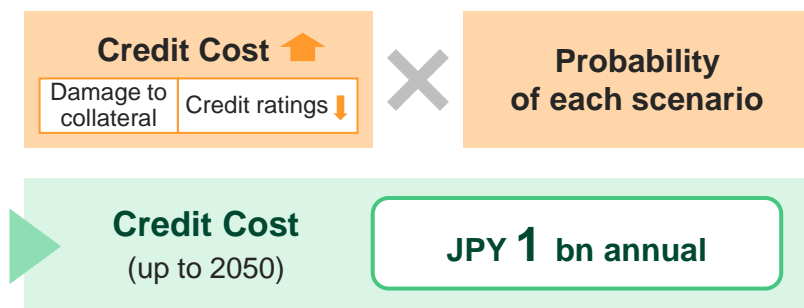
ESG (1) Environment

Proactive in environmental issues : first global financial group to disclose the impact of climate-related risks.

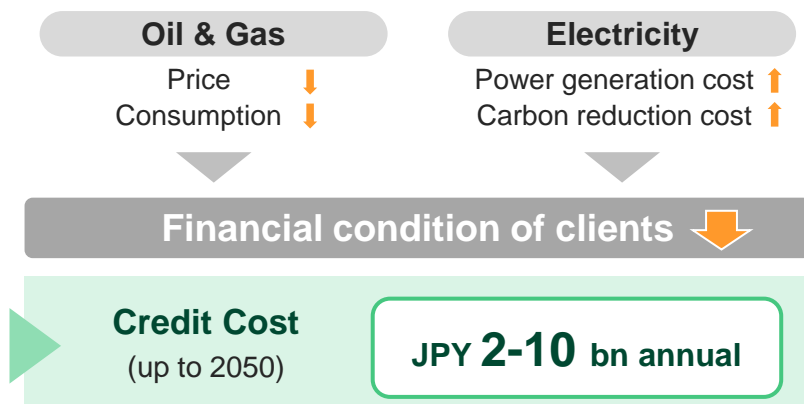
Climate Change Impact (TCFD)

First to disclose
as G-SIFs

Physical risk of water disasters



Transition risk to a low-carbon society



Expanding of lending policies by sector

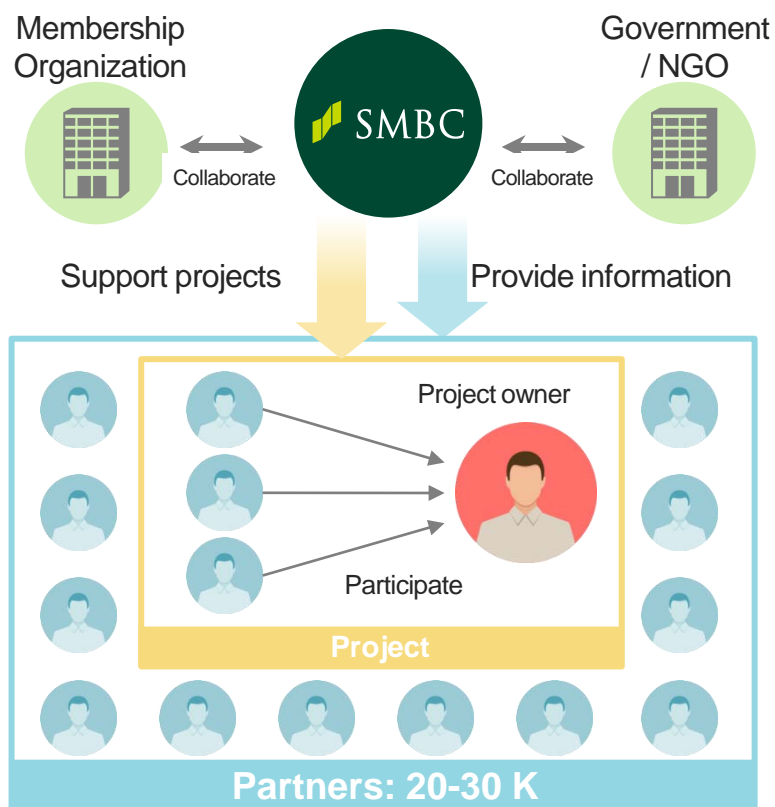


ESG (2) Social

Realize a sustainable society by solving social issues.

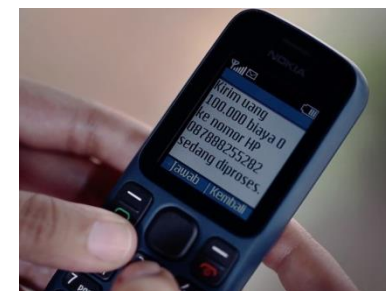
GREEN x GLOBE Partners

Community platform for solving social issues



Financial Inclusion

Expand retail finance services in Asia



Provide finance education

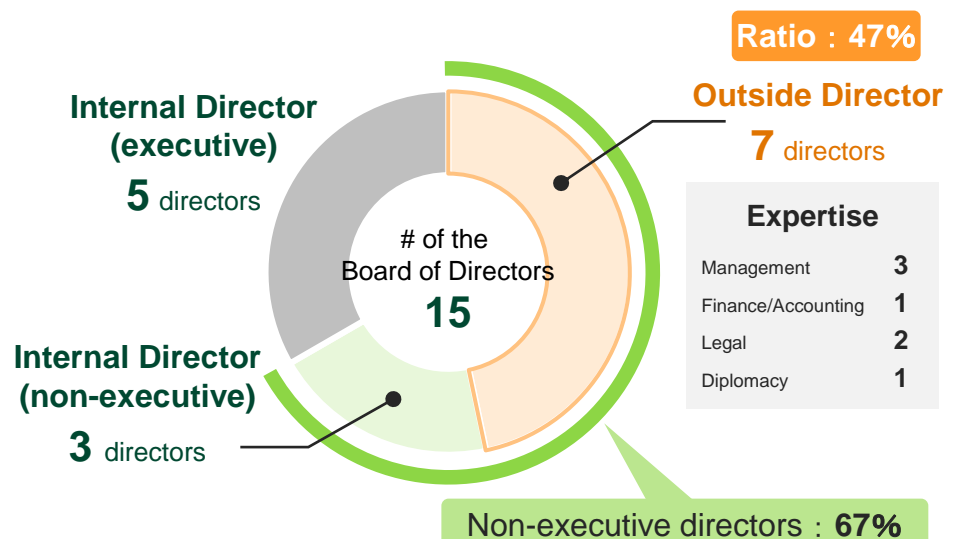
Target by 2030 : 1.5 mn people



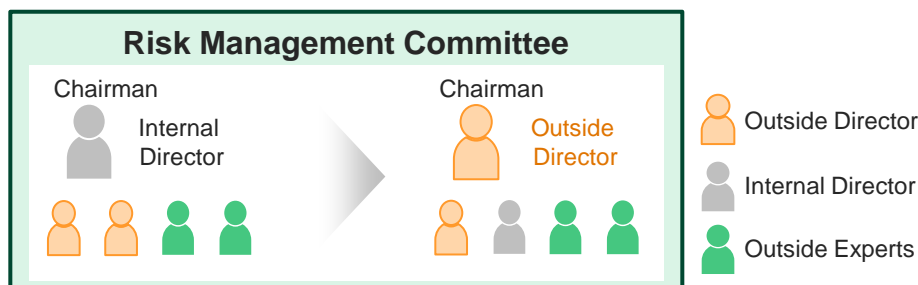
ESG (3) Governance

Continue enhancing corporate governance as the foundation of sustainability management.

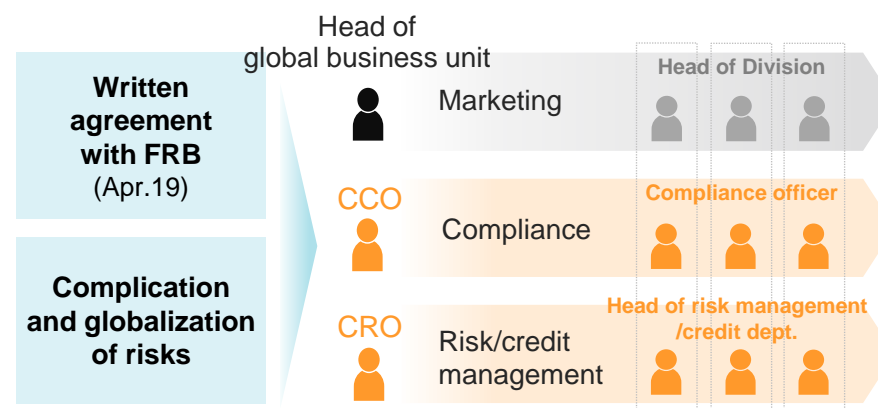
Board of Directors



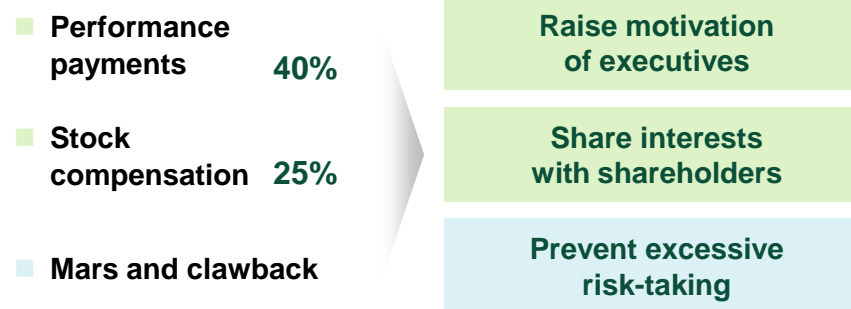
Replace chairman of risk management committee^{*1}



Enhance compliance and risk management



Compensation policy for executives

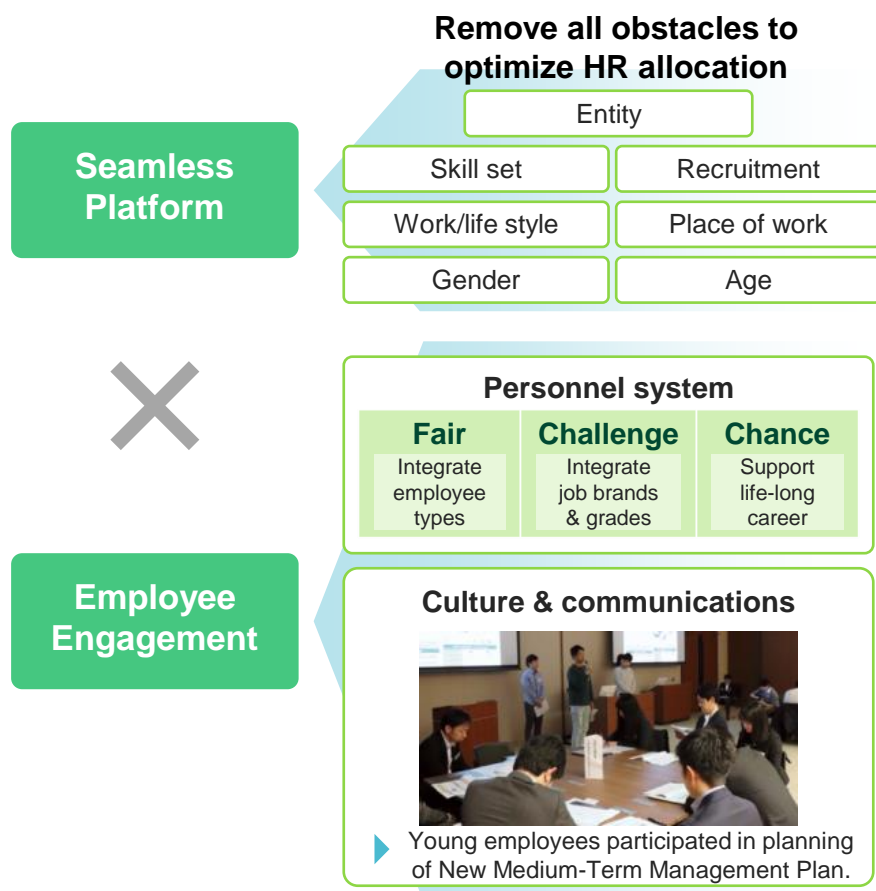


^{*1} Plan to propose the election to the board of directors after shareholder meeting on June. 20

HR Management

Create a positive work environment and support development of employees.

Enhance diversity and engagement



Realize flexible and diversified working style

Working from home



Free dress code



Provide a safe work environment

COVID-19

- Ensure safety of employees
- Prevent cluster infection
- Healthcare support to employees and family

Working from home
Off-peak commuting

Staggering staff and shifts

Additional paid time-off
Mental healthcare office

Communication with stakeholders

Enhance engagement with stakeholders and disclose non-financial information in a timely manner.

- Green Globe Partners
- CSR activities focusing on environmental issues

- Enhance non-financial disclosure
- ESG meeting



KPIs

Environment

- ▶ Green finance **JPY 10 tn** by 2030
- ▶ Green bondissuance At least **once a year**

Community

- ▶ Retail deposits in Asia **x3** by 3/23
- ▶ Credit card sales handled **JPY 30 tn** by 3/23

Next Generation

- ▶ Finance education **1.5mn people** by 2030
- ▶ # of IPOs arrangement **No.1** in Japan

Human resources

- ▶ Female managers **20%** by FY3/26
- ▶ Childcare leave Maintain **100%**

(Ref.) ESG indices and initiatives

Selected ESG indices

GPIF selected



FTSE Blossom
Japan



S&P/JPX
Carbon
Efficient
Index

MSCI



MSCI Japan ESG
Select Leaders Index

MSCI



MSCI Japan Empowering
Women Index (WIN)



FTSE4Good

MSCI



2019 Constituent
MSCI ESG
Leaders Indexes



Member of SNAM
Sustainability Index
2019



Bloomberg
Gender-Equality
Index

Endorsed initiatives

WE SUPPORT



TCFD TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

Signatory of:

PRI Principles for
Responsible
Investment



UNEP
FINANCE
INITIATIVE

PRINCIPLES FOR
RESPONSIBLE
BANKING

EQUATOR
PRINCIPLES

We
support



www.weprinciples.org

CDP
DISCLOSURE INSIGHT ACTION

PFA21
Principles for Financial
Action for the 21st Century

(Ref.) External awards



2019 Award for Excellence
in Corporate Disclosure
— Industries —

SAAJ The Securities Analysts
Association of Japan



(SMBC)



(SMBC Nikko)





IV. Impact of COVID-19

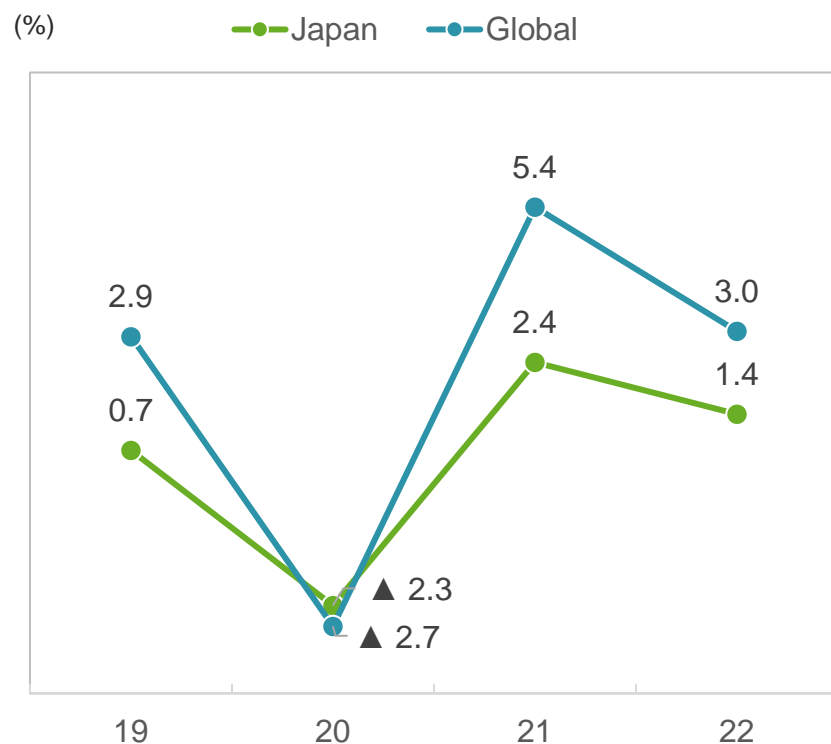
Our scenario

GDP growth rate is expected to be negative in 2020 and recover after 2021.

While economic slowdown brings negative impact to our profits, loan demand from companies including prime companies is increasing.

GDP growth rate^{*1}

Impact of COVID-19 in 2020



Impact of COVID-19 on our business

Retail	Sales of investment products	↓
	Credit card sales handled	↓
Wholesale	Fee-income	↓
	Securities business	↓
	Loan income	↑
Global	Loan income	↑
	Deposit income	↓

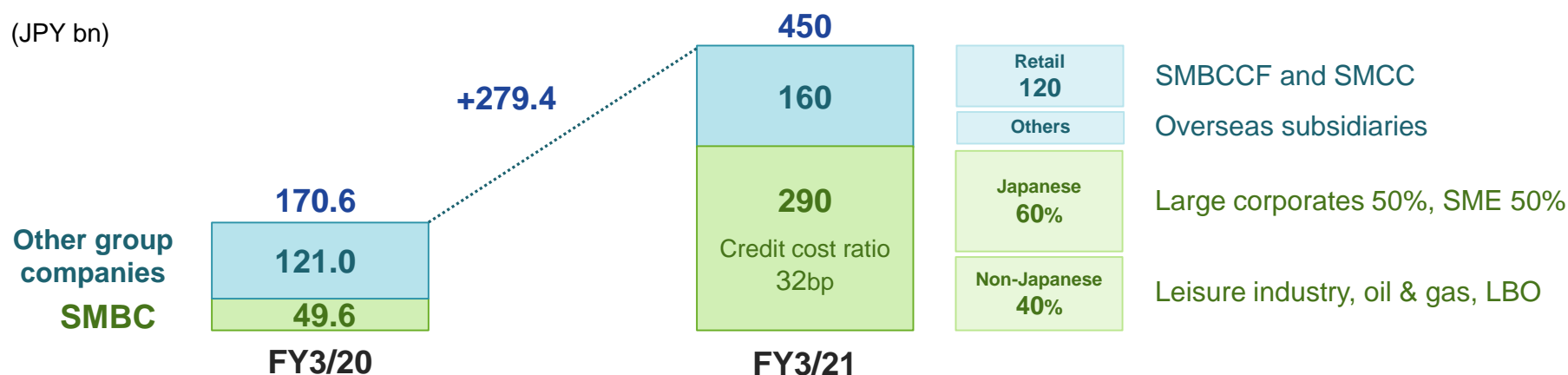
COVID-19 impact on earnings

Lower net business profit and increase of credit cost. Loan increase is 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

Credit cost

Credit cost increase expected both domestically and globally due to COVID-19.
However, the financial sector have improved asset quality and resiliency since the Financial crisis in 2008.



Comparison		Current	Financial crisis in 2008	
Credit cost		(FY3/21 forecast) JPY 450 bn	(FY3/09) JPY 767.8 bn	
Asset quality	Retained earnings	Japanese large corp. total JPY 463 tn	JPY 241 tn	
	NPL ratio	(Mar.20) 0.5 %	(Mar.08) 1.2 %	
Higher resilience in financial sector due to stricter international regulation		Liquidity support from central banks	Global liquidity crisis	
		Capital accumulation of financial institutions	Shortage in capital and liquidity of financial institutions	
		► Provide credit to clients suffering from COVID-19	► Fund shortage at real estate and nonbank sector	
		Mar.20	Mar.08	
Tier1 ratio		16.6%	6.9%	
		Credit cost	Real estate (SMBC)	JPY 100 bn
			Kansai regional banks*1	JPY 100 bn

*1 Deconsolidated in Mar.17

(Ref.) COVID-19 vs 2008 Financial crisis

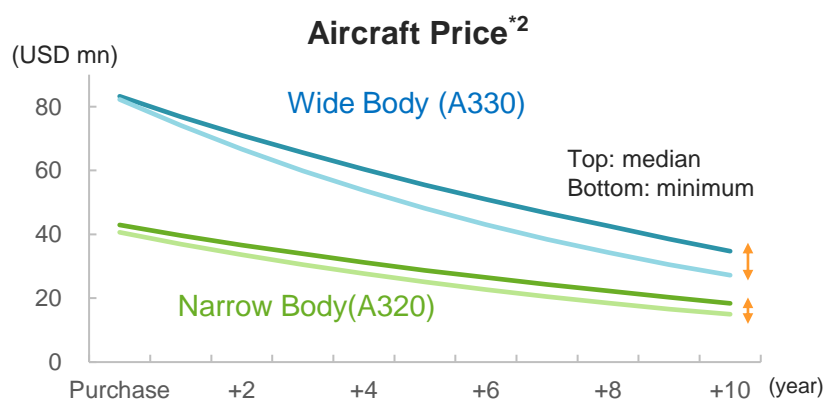
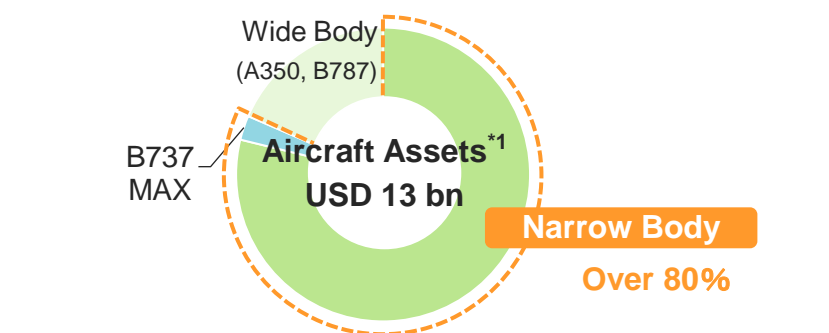
Risk of recording large impairment loss is limited, while credit cost is expected to increase.

Impact is expected in areas including aircraft leasing, credit to natural resources, and foreign currency funding.

		Current	Financial crisis (FY3/09)	Difference
Bottom-line profit		(FY3/21 target) JPY 400 bn	JPY (373.5) bn	+ JPY 773.5 bn
Difference	Credit cost	(FY3/21 forecast) JPY 450 bn	JPY 767.8 bn	JPY (317.8) bn
	Impairment	Stockholdings break-even Nikkei average JPY 8K No goodwill in major investments	Loss on stocks JPY 183.7 bn	JPY (150) bn
	Income taxes	Completed write-off of large NPLs	Reversal of DTA JPY 305.2 bn	JPY (300) bn
		Change	Response	
New risk factors	Aircraft leasing	Rapid decrease in passenger aircraft demand	High liquidity of aircraft portfolio Sufficient liquidity	
	Natural resources	Low oil prices	Cautious approach to upstream and services	
	Foreign currency funding	Increase in funding cost	Fully cover loan balance with deposits and mid-long term funding Diversified funding source	

Aircraft Leasing

Highly liquid portfolio



Average age of aircraft^{*3}

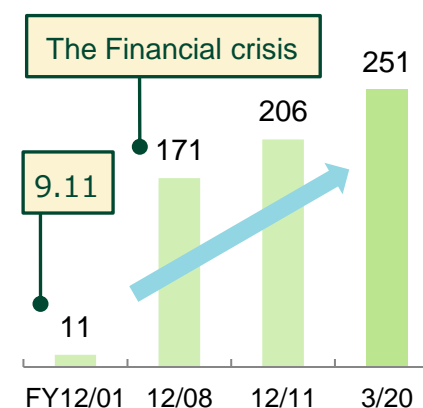
BOC Aviation	Air Lease	SMBCAC	Avolon	ACG	Aercap	Aircastle
3.1	3.5	4.2	5.0	5.2	6.1	9.9

Steady growth overcoming recent crisis

Top class credit team
in industry

Experience of
management team^{*4}
160+ years

Number of Aircraft



Strong liquidity

	S&P	
A-	SMBCAC	BOC Aviation
BBB+	—	
BBB	Aercap	Air Lease
BBB-	Aircastle	Avolon ACG

Credit
availability

USD 6 bn

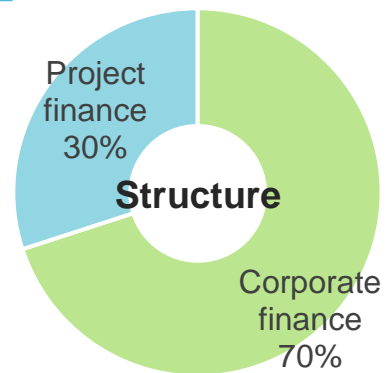
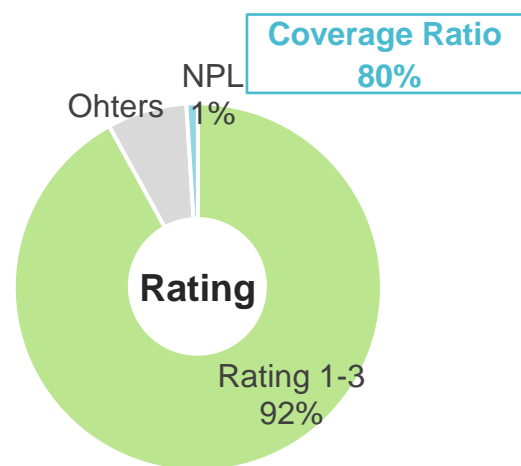
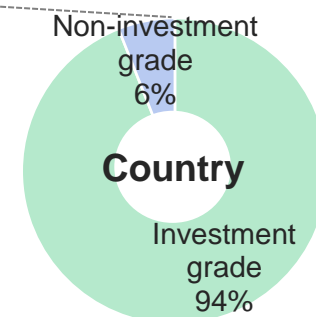
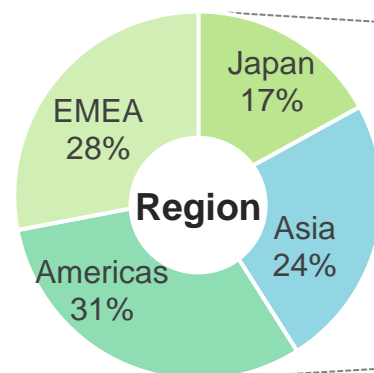
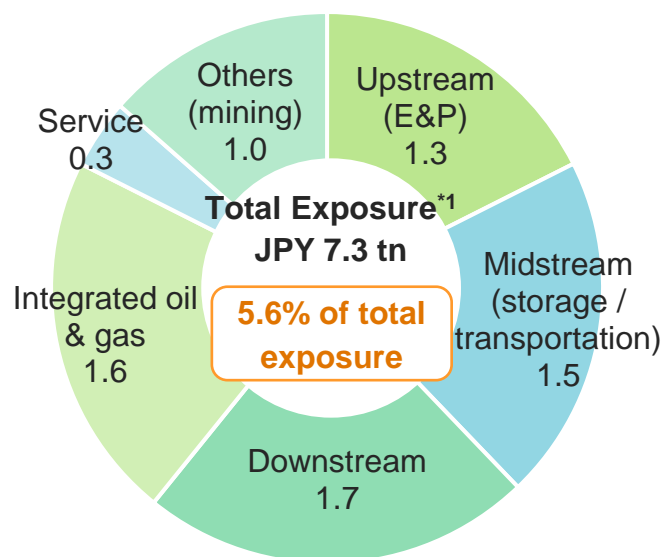
- Other than SMBC group : USD 2.5 bn
- Repayment within 1 year : USD 0.3 bn

*1 Include Pre-delivery payment *2 Appraised by Ascend, Avitas, and IBA

*3 SMBCAC as of Mar.20 and others as of Dec.19 *4 Combined experience of five management officers

Natural resources

5.6% of total exposure. Been taken cautious approach to non-Japanese upstream and service transactions.



Non-Japanese	Mar.16	Mar.20
Upstream (E&P)	24%	16%
Service	7%	4%

(ratio to non-Japanese exposure to natural resources)

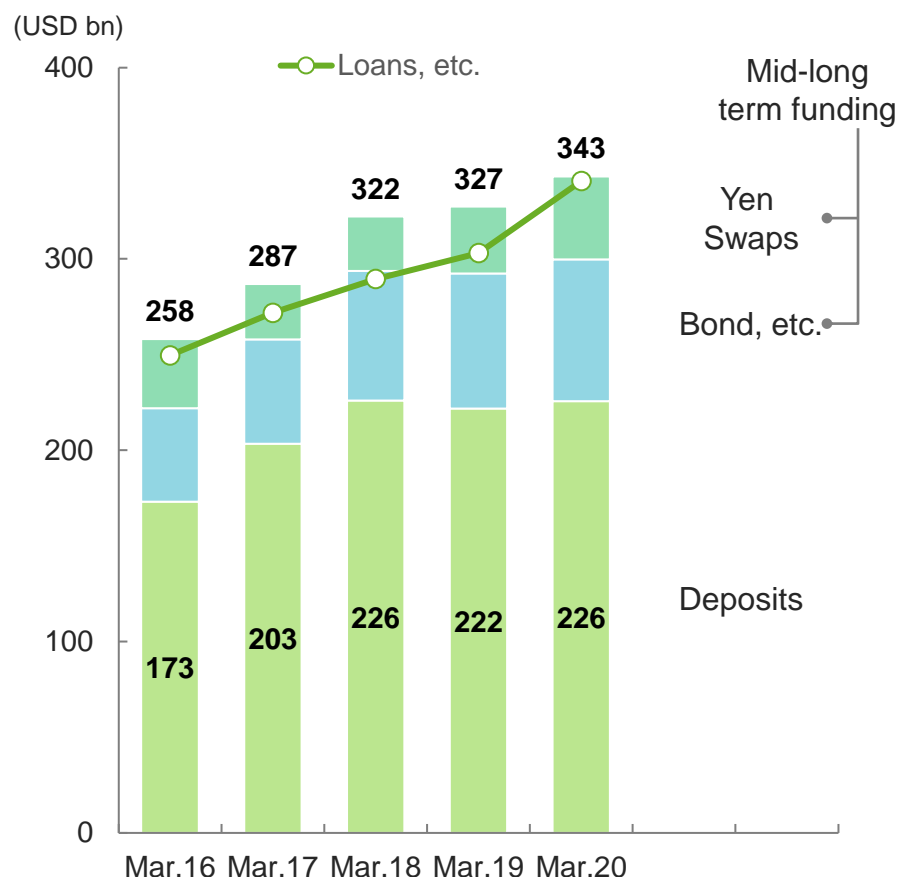
As of Mar.20

*1 Amount of net exposure, excluding exposure of which collaterals are not affected by natural resource prices

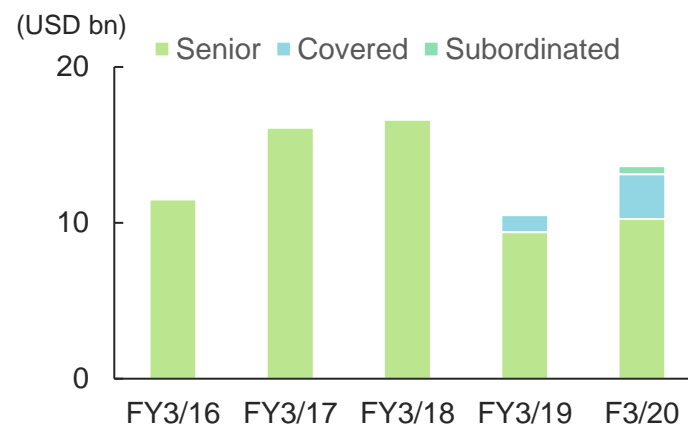
Foreign Currency Funding

Fully cover loans with customer deposit and mid-long term funding.

Build a robust funding base



Liquidity support from central banks



First in Japan
Covered Bond

- Aaa Rating
- Low funding cost under stressed market

Liquidity support from central banks

BOJ

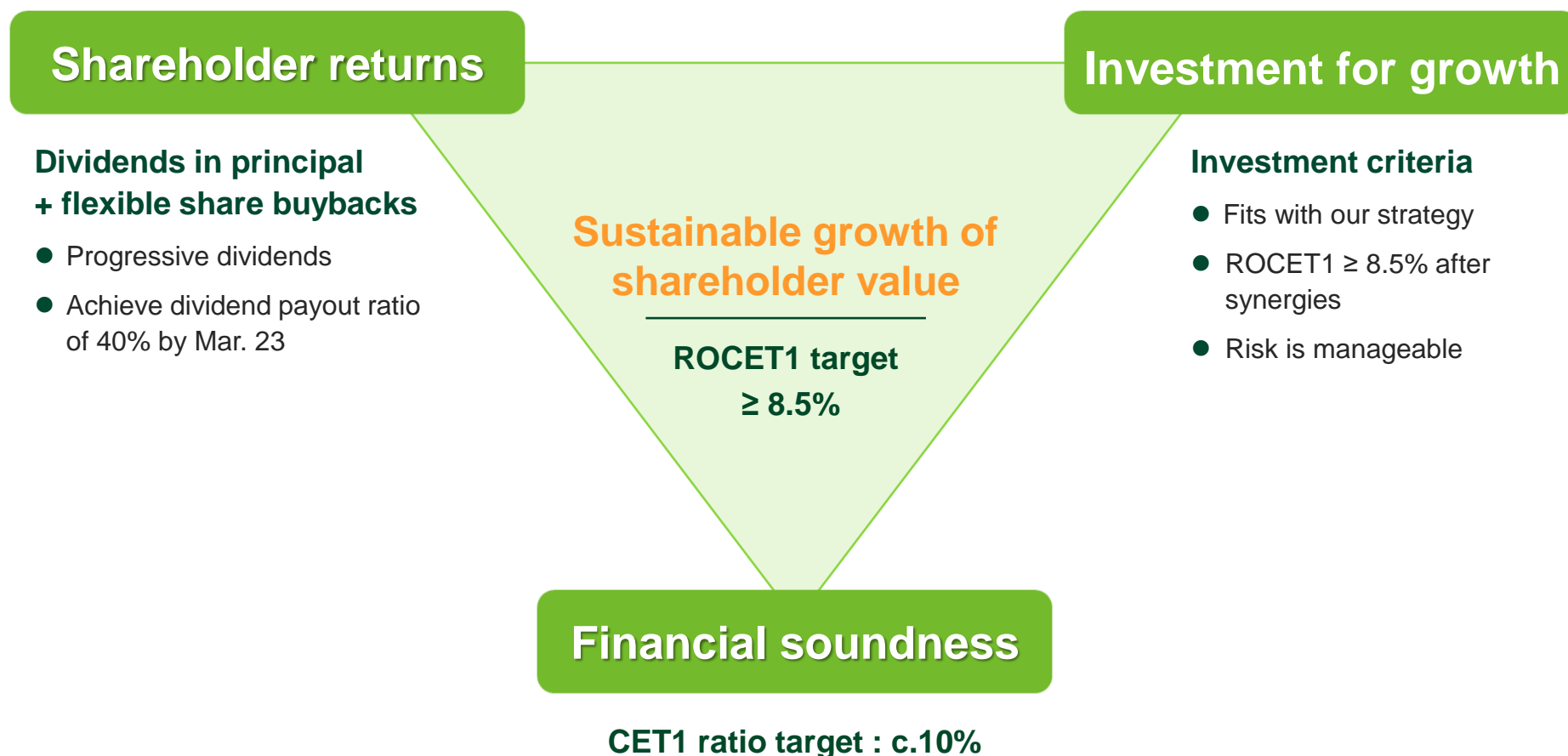
- 3 month facility as well as 1 week
- Expected to be provided for some time



V. Capital Policy

Basic Capital Policy

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

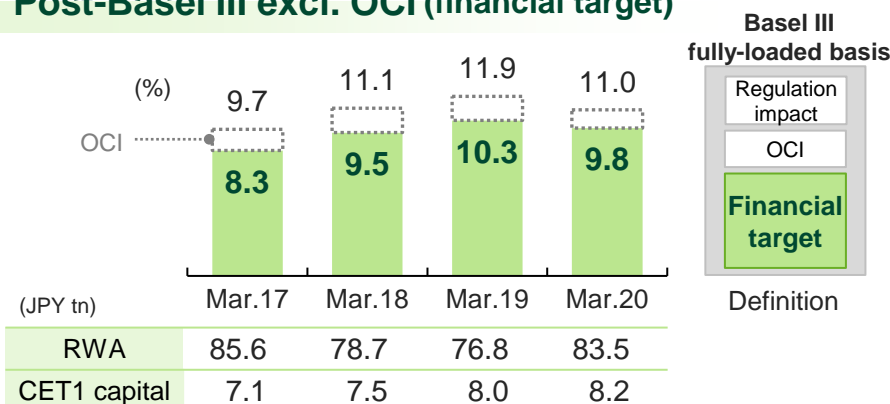


Capital position

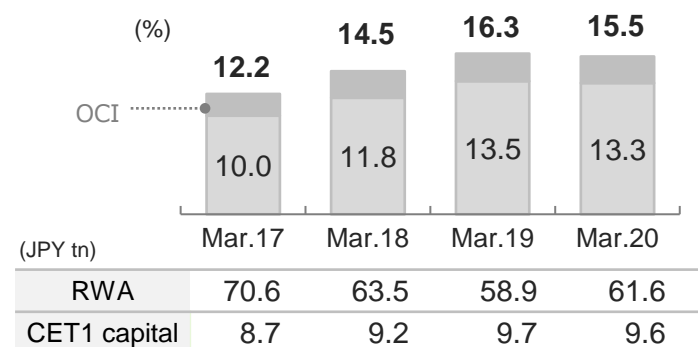
Reached CET1 ratio (Post-Basel III excl. OCI) of c.10%. CET1 ratio on Basel III fully-loaded basis was 15.5%. To prioritize supporting customers impacted by COVID-19, we will manage our CET1 ratio at c.9.5% for the time being.

CET1 ratio

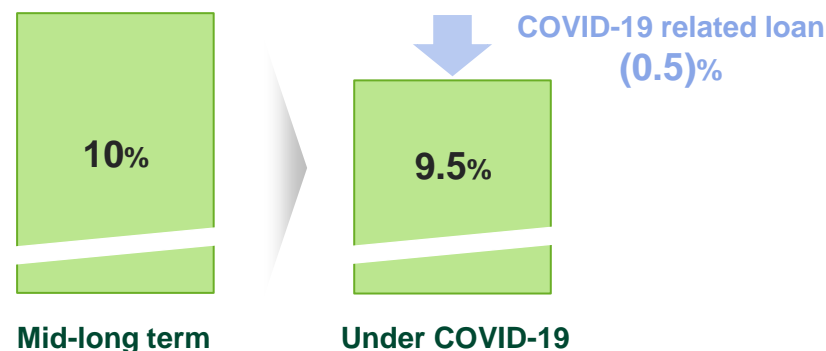
Post-Basel III excl. OCI (financial target)



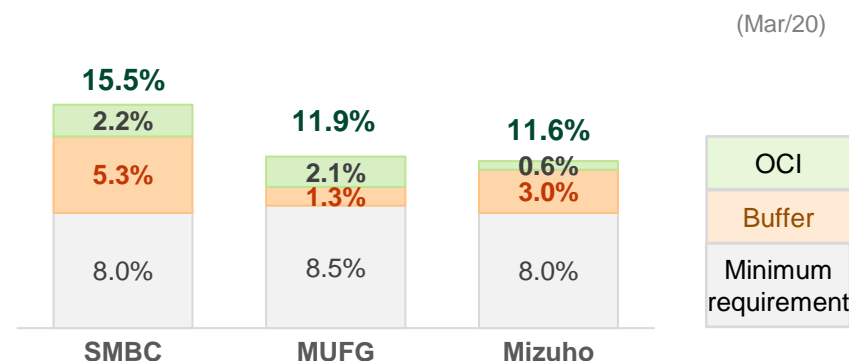
Basel III fully-loaded basis



Capital Management (post-Basel III exc. OCI)

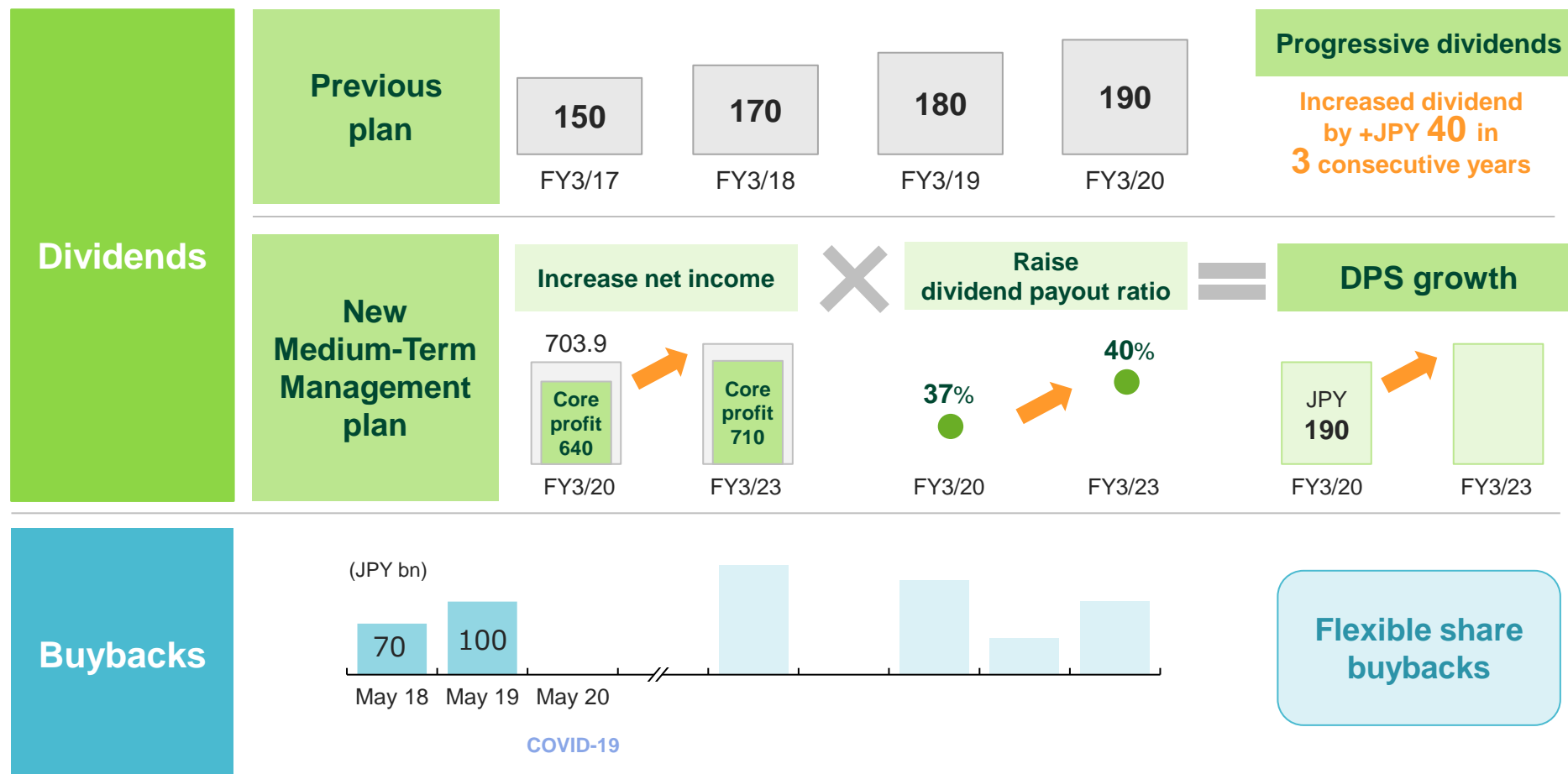


Peer comparison (Basel III fully-loaded basis)



Enhancing shareholder returns

Progressive dividends; increase dividends by increasing net income and raising dividend payout ratio.
Execute flexible share buybacks.



Shareholder returns

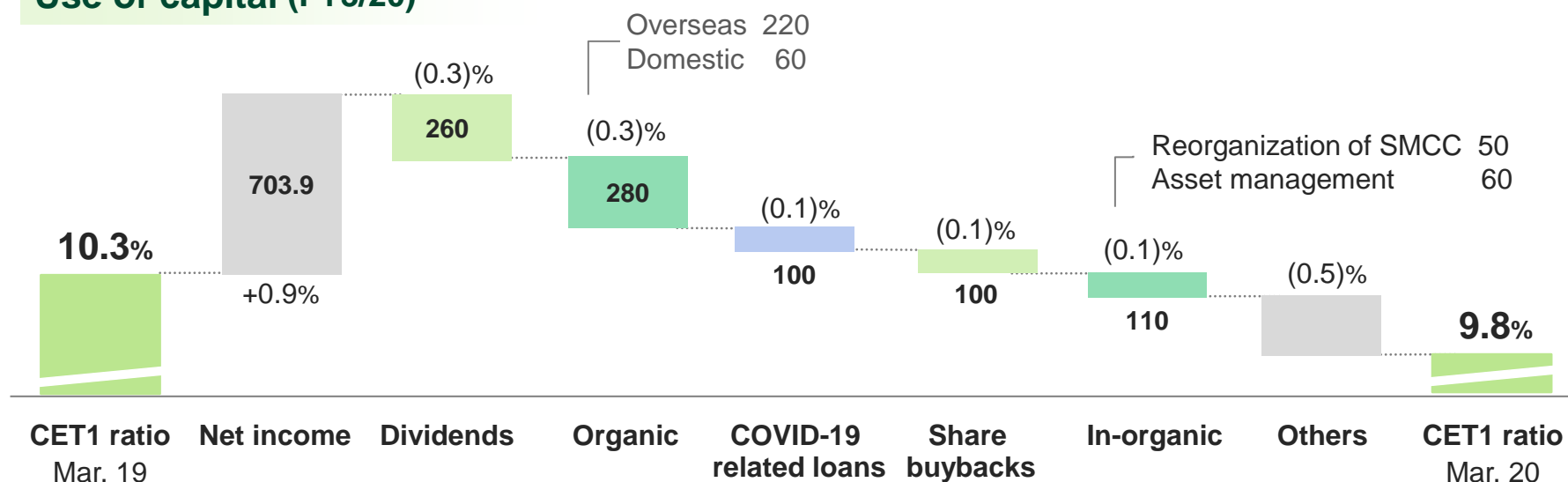
Increased dividends for FY3/20 aiming towards dividend payout ratio of 40%.

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

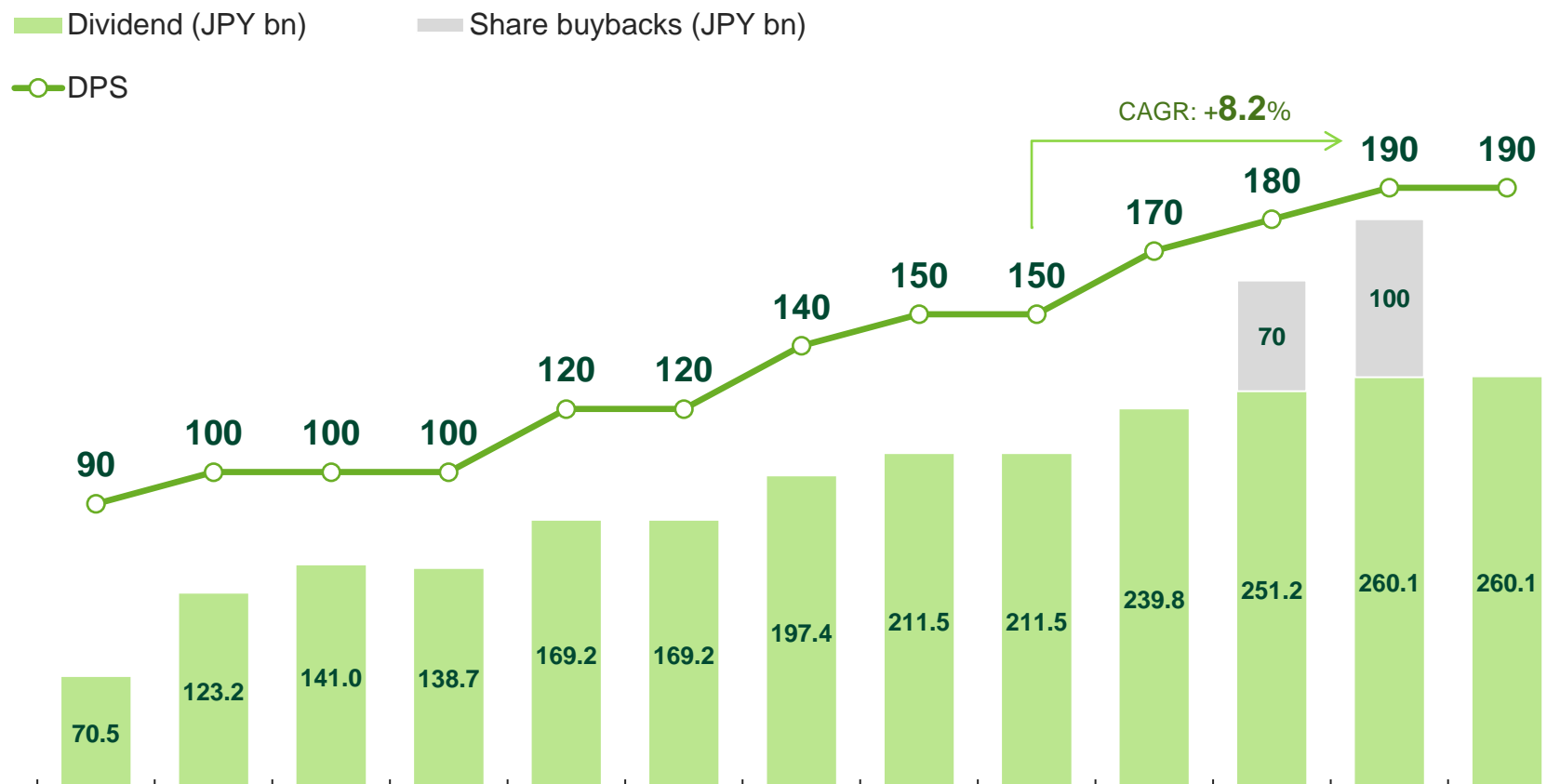
No share buybacks since it will take time to assess the impact of COVID-19.

		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

Use of capital (FY3/20)



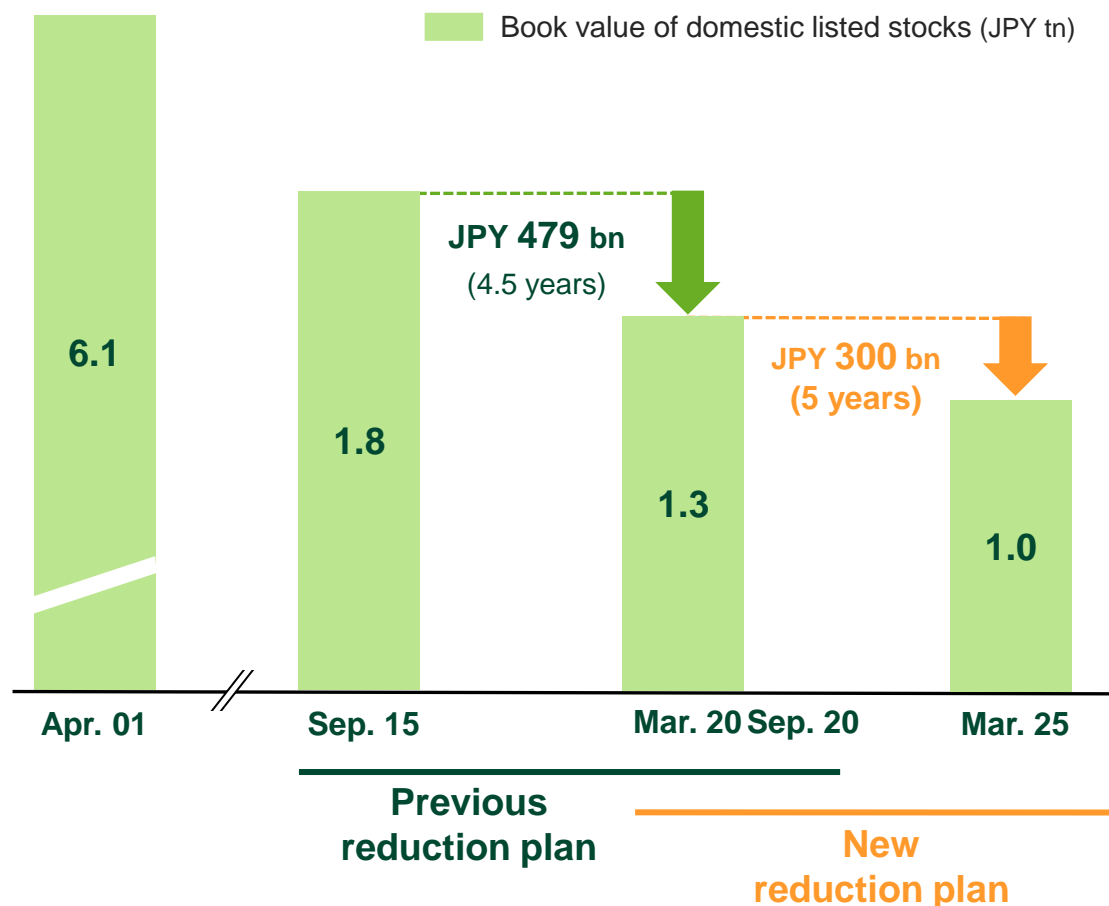
(Ref.) Shareholder returns



	FY3/09	10	11	12	13	14	15	16	17	18	19	20	21E
Dividend payout ratio (%)	-	47	30	27	21	20	26	33	30	33	35	37	65
Total payout ratio (%)	-	-	-	-	-	-	-	-	-	-	44	51	-

Strategic shareholdings

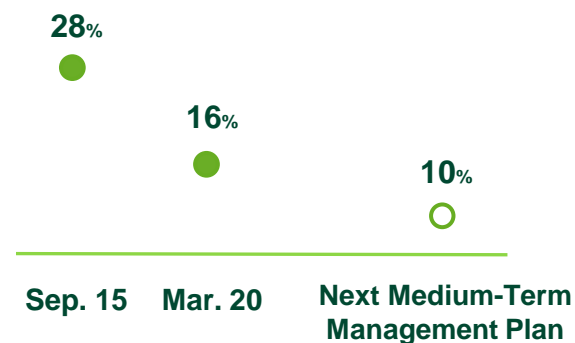
Achieved the target of the previous reduction plan. New plan to reduce JPY 300 bn in the next 5 years.



Previous reduction plan

- FY3/17	115 bn
FY3/18	115 bn
FY3/19	130 bn
FY3/20	119 bn
Actual reduction	479 bn
Consent of sales	66 bn
Total	545 bn

Ratio of stocks to CET1^{*1}



*1 Basel III fully-loaded basis, excl. OCI



Appendix

Company overview (1) Group structure

Sumitomo Mitsui Financial Group

Consolidated total assets JPY 220 tn

Credit ratings	Moody's	S&P	Fitch	R&I	JCR
	A1/P-1	A-/-	A/F1	A+/-	AA-/-

 Consolidated subsidiary  Equity-method affiliate

Banking

Sumitomo Mitsui Banking Corporation

Moody's	S&P	Fitch
A1	A	A

SMBC Trust Bank

(92%)

PT Bank BTPN Tbk

Leasing

(50%)

Sumitomo Mitsui Finance and Leasing

(SMBC 32%, SMFL 68%)

SMBC Aviation Capital

Securities

SMBC Nikko Securities

Consumer Finance

Sumitomo Mitsui Card

SMBC Consumer Finance

Others

(50.1%)

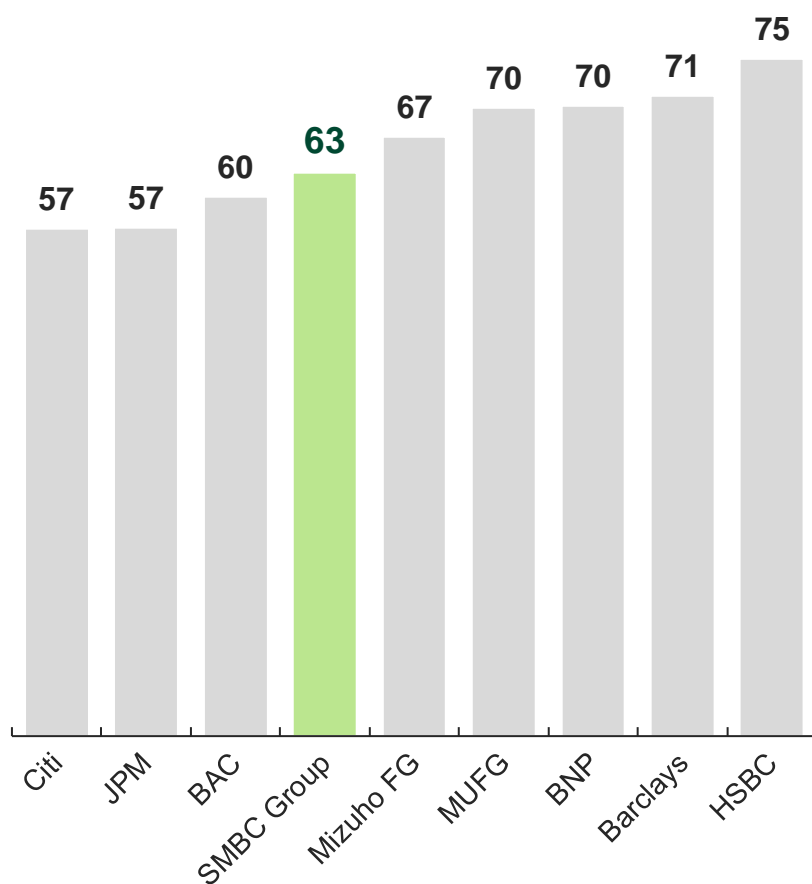
Japan Research Institute

Sumitomo MitsuiDS Asset Management

Company overview (2) Peer comparison

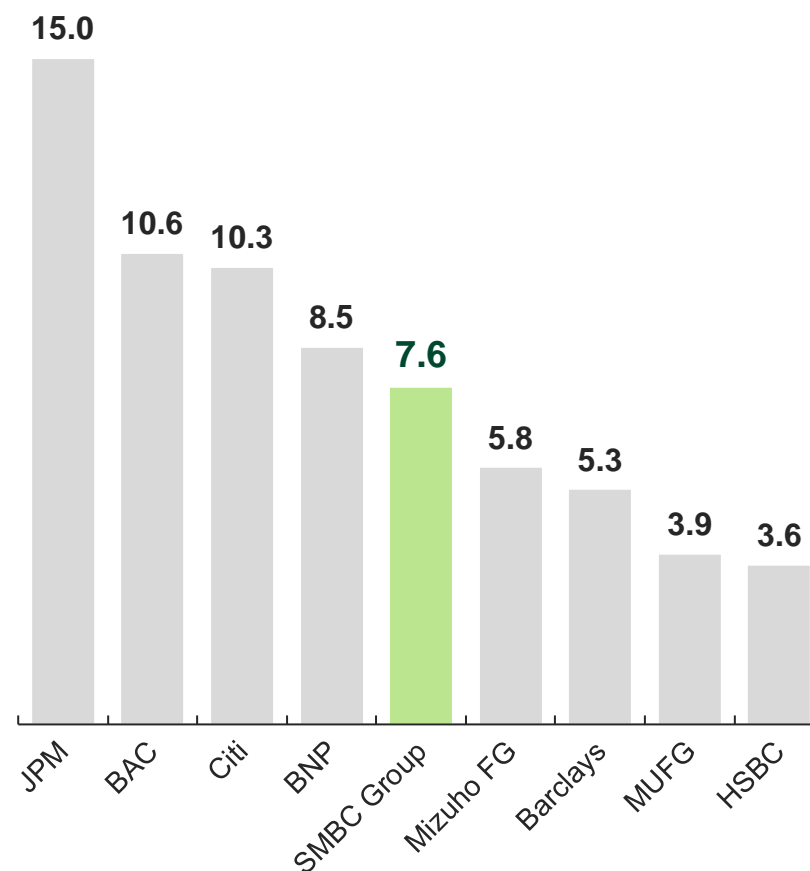
OHR*1

(%)



ROE*1

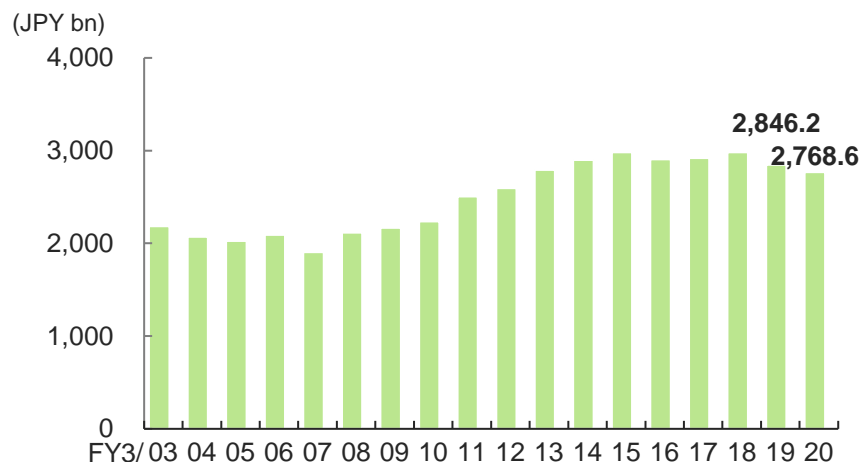
(%)



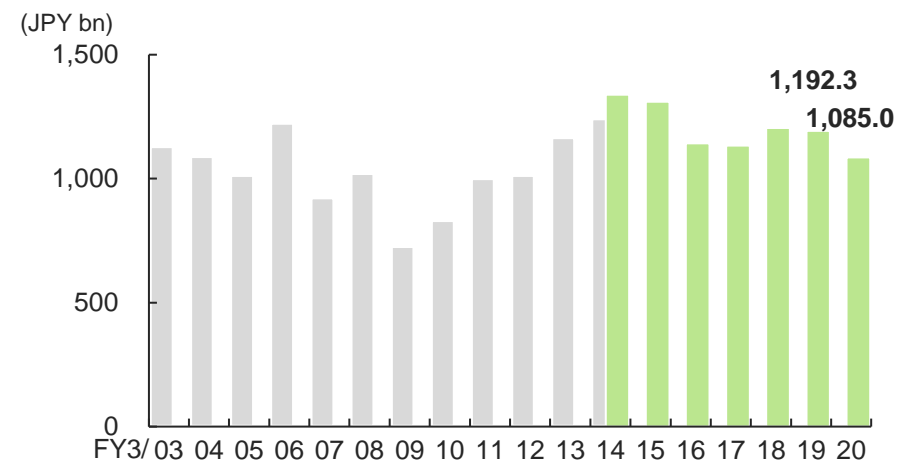
*1 Based on each company's disclosure. FY3/20 results for SMBC Group, MUFG, Mizuho and Jan-Dec.20 results for others

Company overview (3) Long-term results

Consolidated gross profit



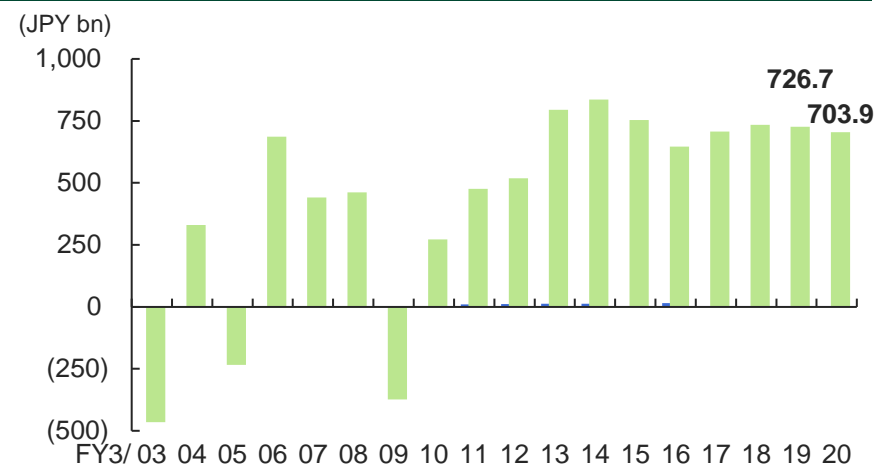
Consolidated net business profit*1



Breakdown of consolidated gross profit

	FY3/03		FY3/20
SMBC's Domestic loan / deposit related	35%	↘	15%
International business (banking)	5%	↗	22%
Group companies excluding SMBC	18%	↗	40%

Profit attributable to owners of parent



*1 Changed definition of consolidated net business profit. Adjusted retrospectively for FY3/14

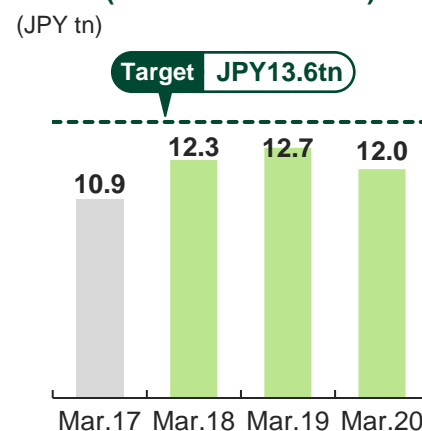
Results by business units (1) Retail

Financial results

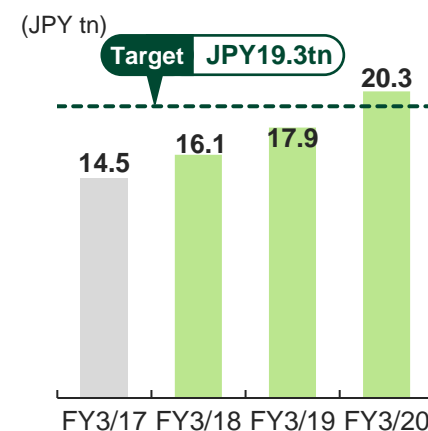
(JPY bn)	FY3/20	YoY ^{*1}
Gross profit	1,257.7	(9.6)
Income on loans and deposits ^{*2}	143.6	(10.2)
Wealth management business	301.9	(14.0)
Payment business	422.4	+11.4
Consumer finance business	308.1	+2.9
Expenses	1,025.2	+4.5
(Overhead ratio)	81.5%	+1.0%
Net business profit	234.5	(13.9)
ROE ^{*3}	7.2%	(0.5)%
RWA (JPY tn)	12.3	(0.4)

KPI

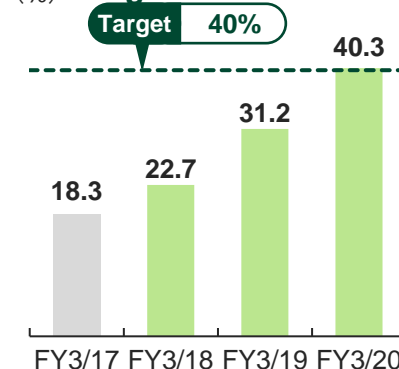
**Fee-based AUM
(SMBC+SMBC Nikko)**



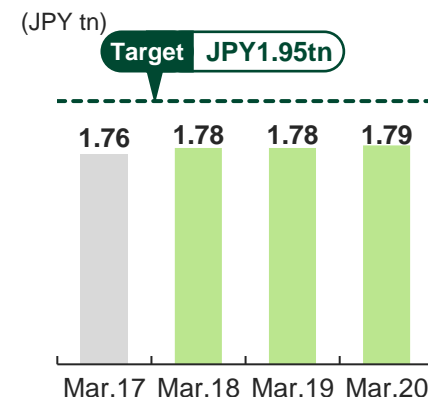
Credit card sales handled



**Utilization rate for
digital channels**



Balance of card loans



*1 After adjustments of the changes of interest rates and exchange rates *2 Excluding consumer finance

*3 Excluding impact from the provision for losses on interest repayments, etc.

Results by business units (2) Wholesale

Financial results

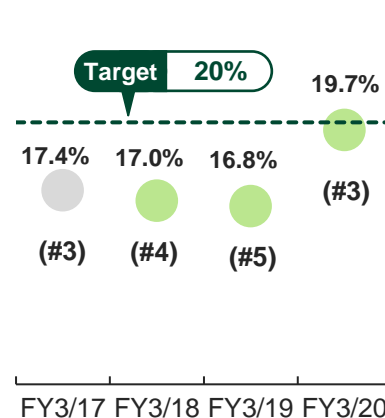
	(JPY bn)	FY3/20	YoY ^{*1}
Gross profit		641.5	(6.7)
Income on loans and deposits		190.5	+2.3
FX and money transfer fees		108.9	+1.2
SMBC Loan syndication		36.9	(1.1)
Structured finance		32.5	(1.9)
Real estate finance		11.4	+0.1
Securities business		89.7	(1.5)
Expenses		284.4	(2.2)
(Overhead ratio)		44.3%	+0.1%
Net business profit		409.2	(0.9)
ROE ^{*2}		11.6%	(0.7)%
RWA (JPY tn)		17.4	+0.5

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

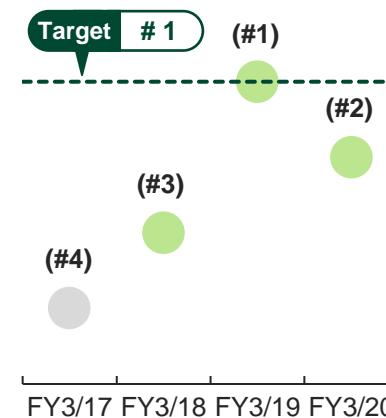
*2 Excluding impact from the medium- to long-term foreign currency funding costs

KPI

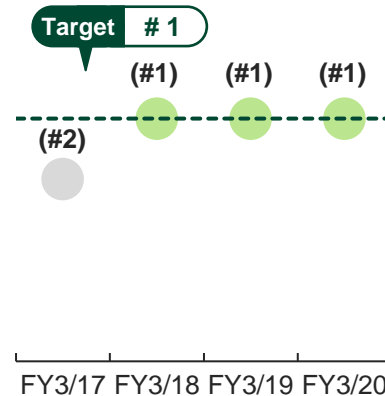
Japanese corporate bonds



IPO deals



M&A advisory deals



Results by business units (3) Global

Financial results

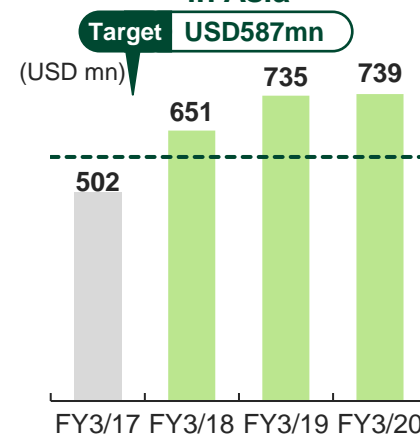
(JPY bn)	FY3/20	YoY ^{*1}
Gross profit	667.1	+26.2
Income on loans and deposits	290.0	+9.6
Loan related fees	115.8	+8.4
Securities business	55.0	+6.1
Expenses	350.6	+19.7
(Overhead ratio)	52.6%	+1.0%
Net business profit	371.2	+3.3
ROE ^{*2}	8.1%	(1.6)%
RWA (JPY tn)	21.4	+2.1

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

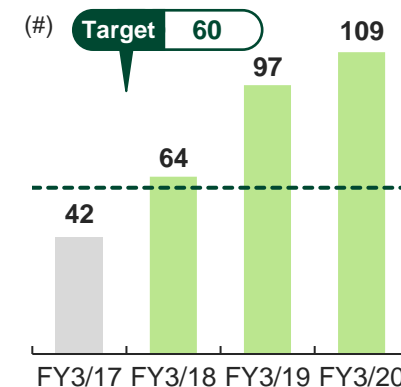
*2 Excluding impact from the medium- to long-term foreign currency funding costs

KPI

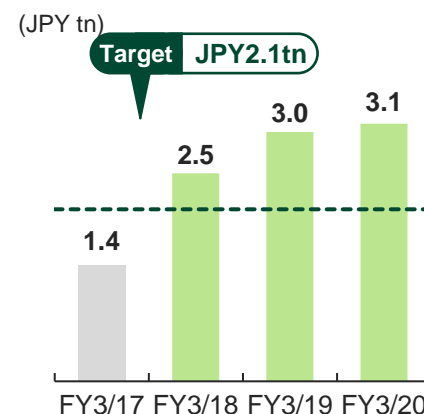
Non-asset based profit in Asia



of active book runner transactions



Distribution amount

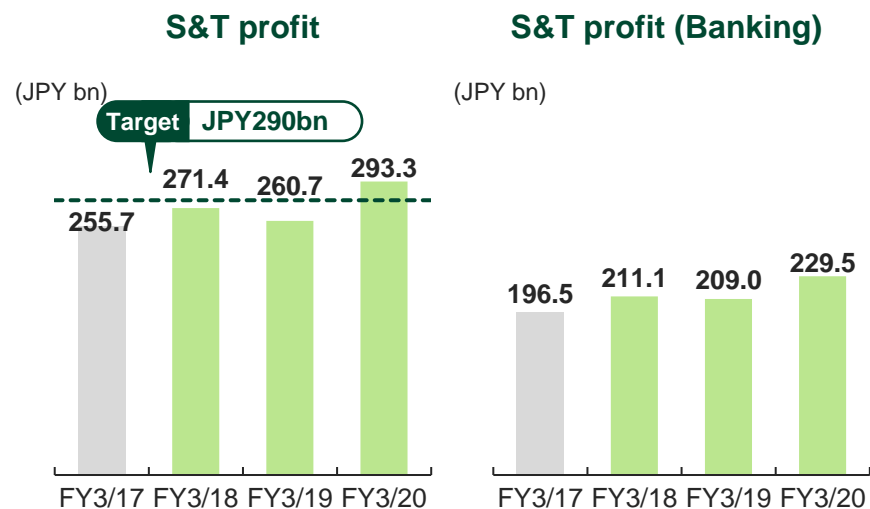


Results by business units (4) Global Markets

Financial results

(JPY bn)	FY3/20	YoY ^{*1}
Gross profit	4,216	+606
SMBC's Treasury Unit	3,282	+473
Expenses	56.2	+2.6
(Overhead ratio)	13.3%	(1.5)%
Net business profit	3,988	+599
ROE ^{*2}	45.9%	+13.3%
RWA (JPY tn)	5.3	+0.4

KPI



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

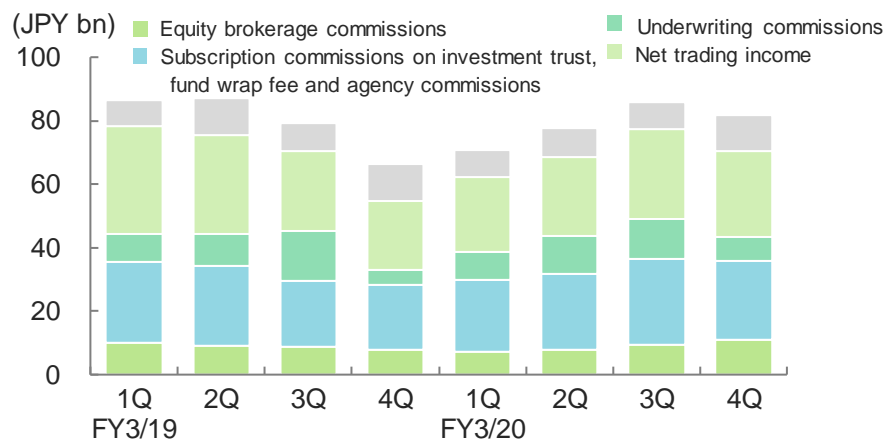
*2 Excluding impact from the interest-rate risk associated to the banking account

Group companies (1) SMBC Nikko

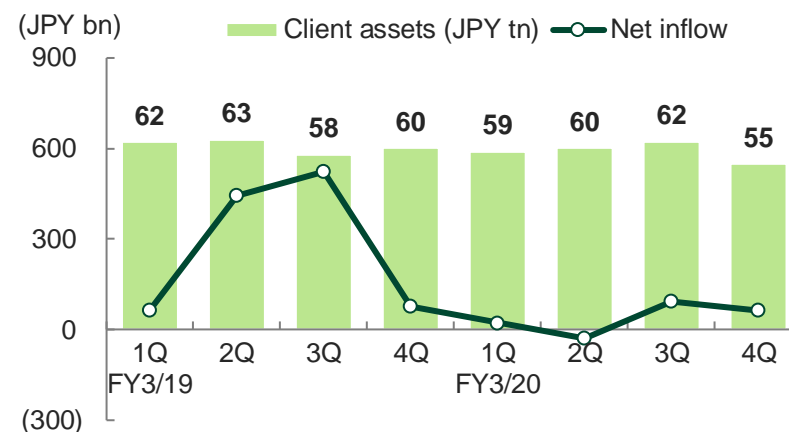
Financial results

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

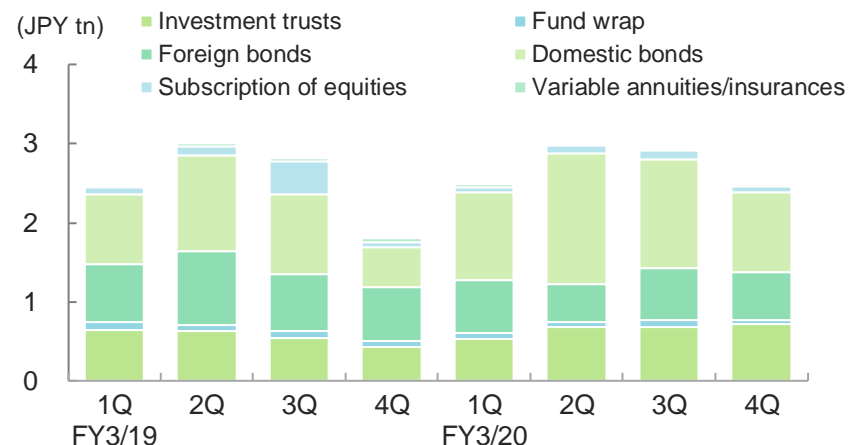
Net operating revenue



Client assets / Net inflow



Product sales



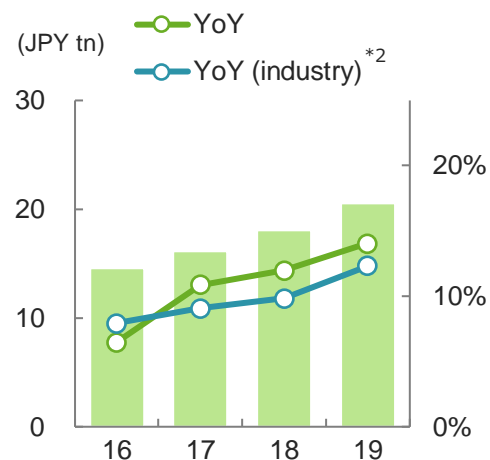
Group companies (2) SMCC

Financial results

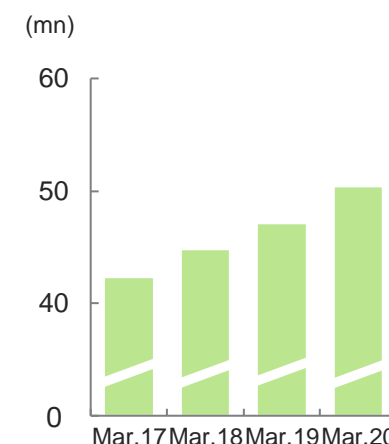
(JPY bn)	FY3/19	FY3/20	YoY
Operating revenue	465.5	480.8	+15.4
o/w Commission fee	145.2	153.0	+8.8
Finance	108.5	109.2	+0.7
Sales on credit	36.8	35.8	(0.9)
Receipt agency	45.4	46.7	+1.4
Operating expense	403.0	430.3	+27.3
o/w Expenses for loan losses	33.1	32.3	(0.8)
Expense for interest repayments	10.9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

Key figures

Sales handled

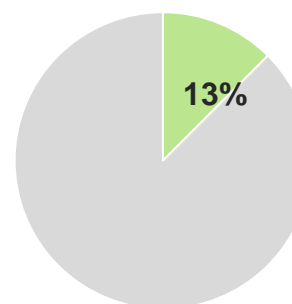


of card holders

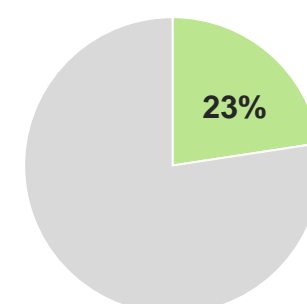


Market share^{*3}

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)

Group companies (3) SMBCCF

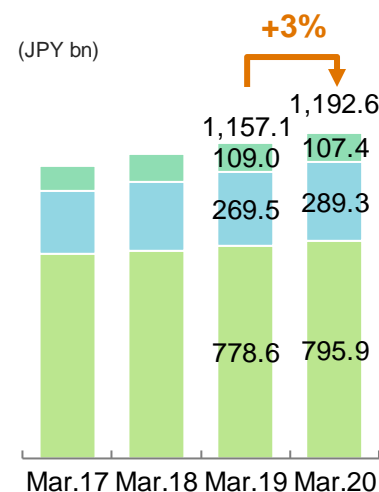
Financial results

(JPY bn)	FY3/19	FY3/20	YoY
Operating income	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)
Operating expenses	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)
Ordinary profit	46.3	60.5	+14.2
Net income	45.1	90.1	+45.1 ^{*1}
NPLs	71.3	78.3	
(NPL ratio)	6.16%	6.57%	
Allowance on interest repayments (provision)	112.1	106.1	
	3.4 yrs	3.2 yrs	

*1 Due to an increase in tax effect accounting

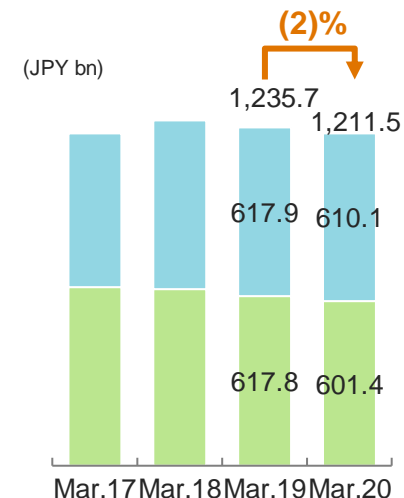
Consumer loans

■ Promise ■ Mobit ■ Promise (overseas)

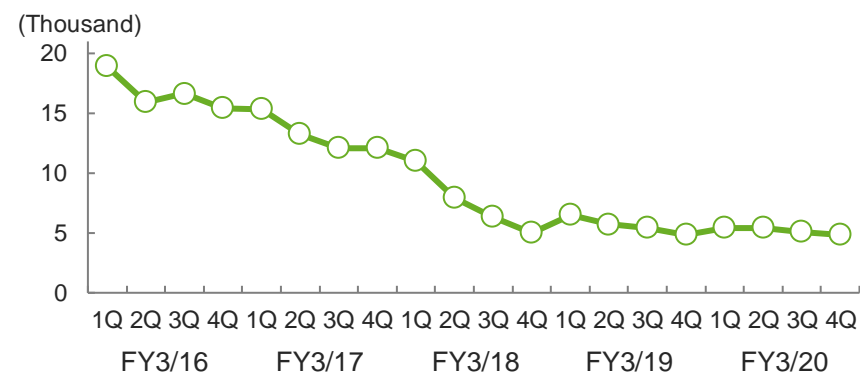


Loan guarantee

■ SMBC ■ Others



No. of interest refund claims

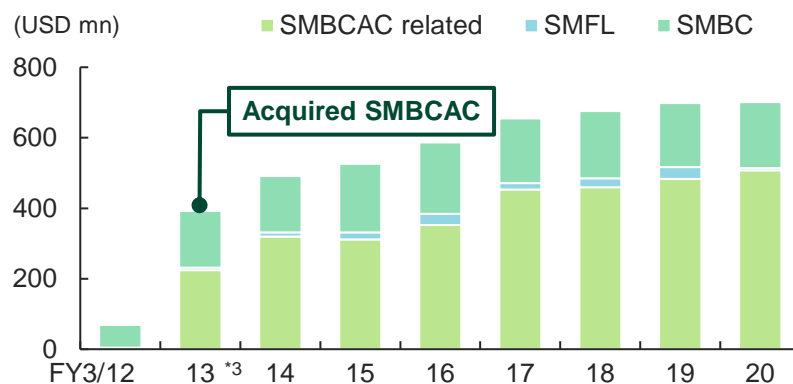


Group companies (4) SMBCAC

Financial results

(USD mn)	FY3/19	FY3/20
Total revenue	1,188	1,283
Lease revenue	1,100	1,135
Net income	316	334
Impairment loss / provisions	43	32
Aircraft asset^{*1}	12,379	13,142
Net asset	3,117	3,047
ROE	11.7%	10.8%

Aircraft business of SMBC Group



of owned and managed aircraft^{*2}

	Company	Country	#
1	GECAS	USA	1,143
2	AerCap	Ireland	1,016
3	Avolon	Ireland	524
4	BBAM	USA	511
5	SMBCAC	Ireland	417

Average age of aircraft

4.2 years (as of Mar. 20)

^{*1} Include Aircraft pre-delivery payments ^{*2} As of Dec.19 (Source: Ascend/Airline Business)

^{*3} SMBCAC related includes revenue after the acquisition in June

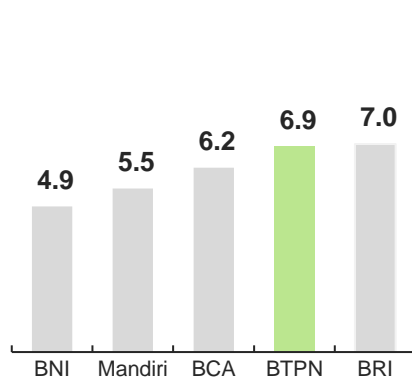
Group companies (5) BTPN

Financial results*1

(JPY bn)	2017	2018	2019
Gross banking profit	82.9	77.5	99.6
Operating expenses	57.4	44.7	56.3
Net profits	10.1	14.0	20.3
ROE	8.2%	11.6%	9.9%
Loans	542.4	517.8	1,119.9
Deposits	563.7	538.4	686.8
Total assets	788.8	770.2	1,434.9

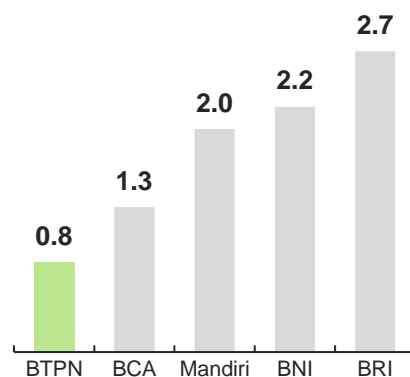
Net interest margin*2

(%)

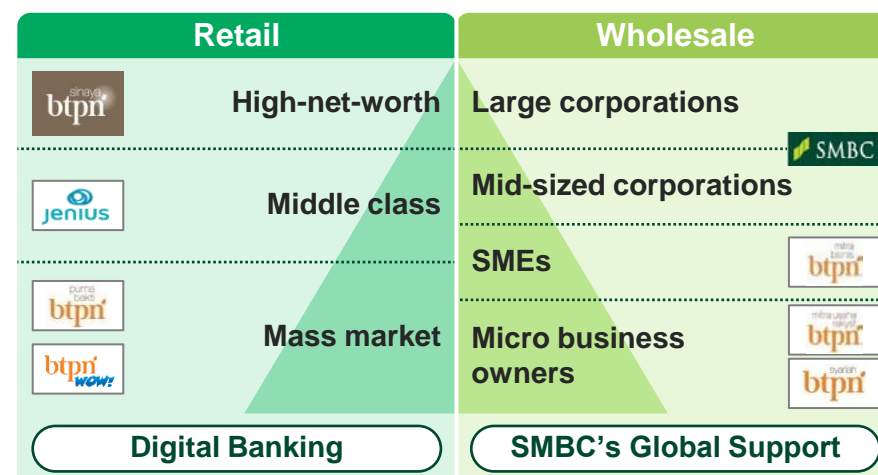


NPL ratio*2

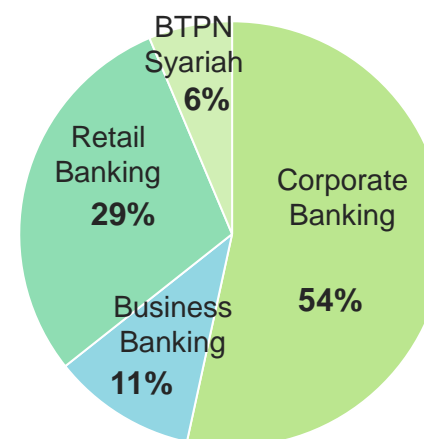
(%)



Customer



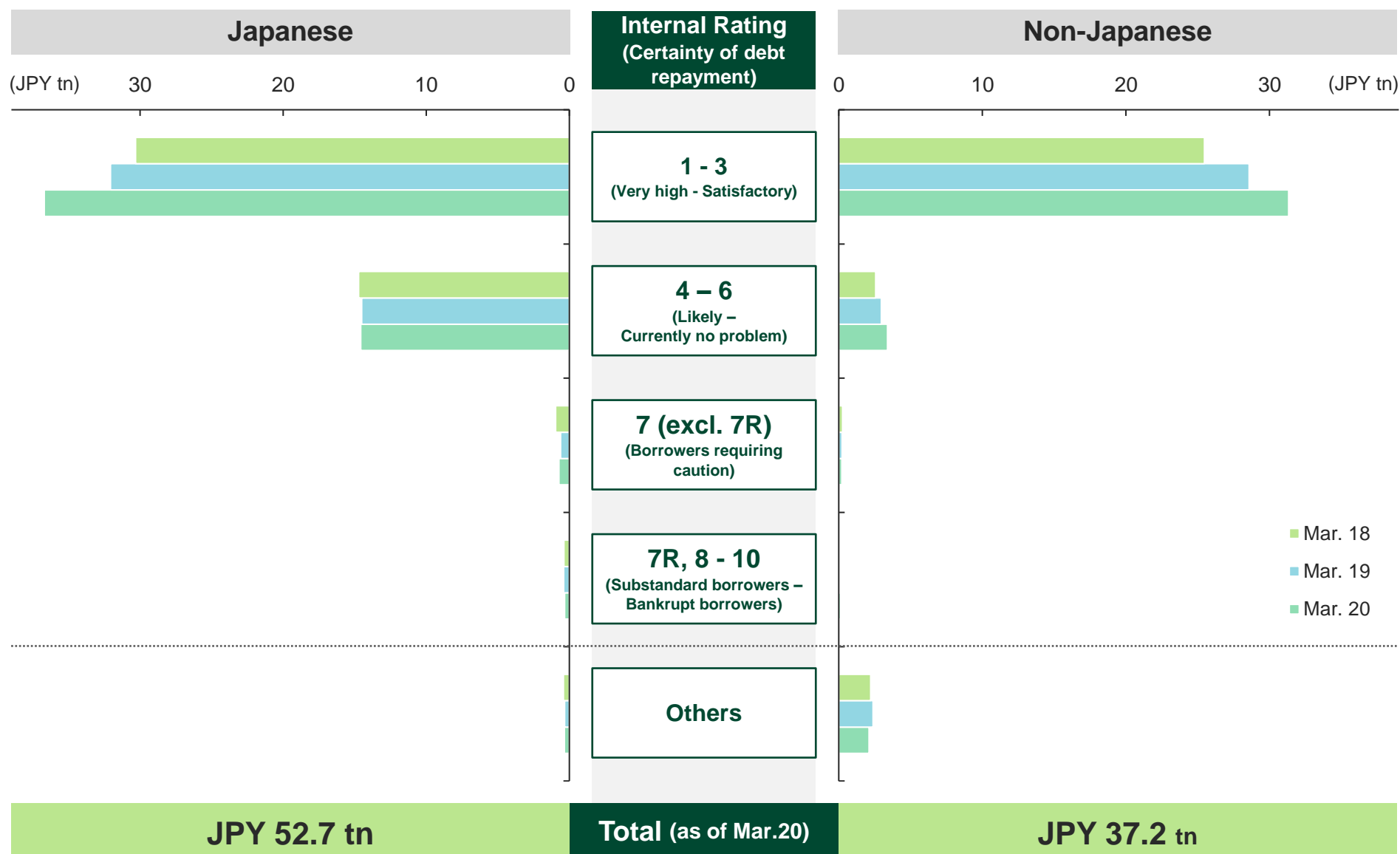
Loan breakdown*3



*1 TTM as of Dec. 17: IDR 1 = 0.0083, Dec. 18: IDR 1 = 0.0076, Dec. 19: IDR 1 = 0.0079

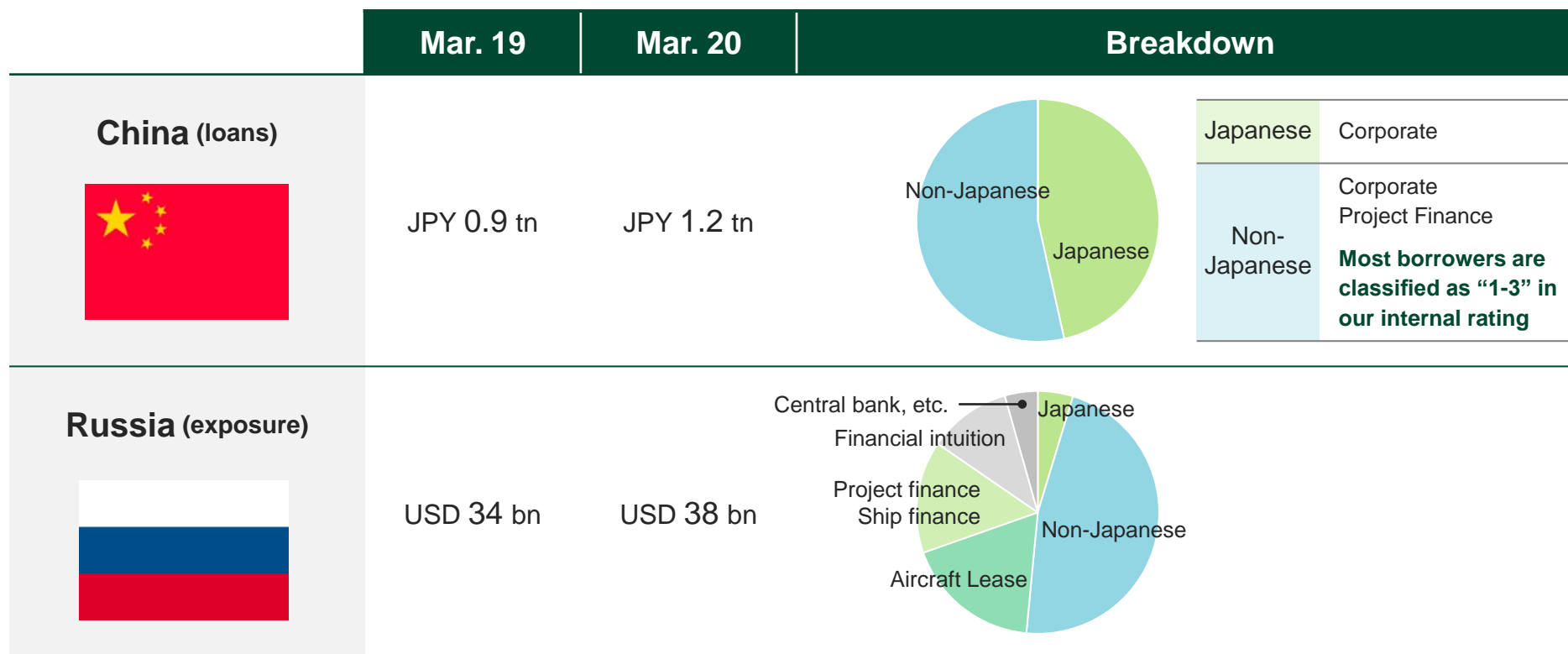
*2 Based on each company's disclosure (Dec. 19 results) *3 As of Dec. 19

Loans and exposure (1) Breakdown by internal ratings*1



*1 Managerial accounting basis. Exposure includes loans, acceptances and guarantees, foreign exchanges, private placement, suspense payments, undrawn commitments, and derivatives, etc. Excluding the exposure to SMFG consolidated subsidiaries, retail customers in Japan, Japanese government, etc., and specialized lending

Loans and exposure (2) Breakdown by internal ratings*1



Loans and exposure (3) resource-related sectors

	(JPY tn)	(1) Exposure (gross)	(2) Exposure (net)	% of rating 1-3	(3) Drawn amount	% of rating 1-3	(4) NPLs ^{*1,2}	(5) Ratio to drawn amount (4) / (3)	(6) Reserve for possible loan losses	(7) Collateral, guarantees, etc.	(8) Coverage ratio ((6)+(7) / (4))
Japan		1.4	1.2	95%	0.7	94%	-	-	-	-	-
Asia (excluding Japan)		2.2	1.8	89%	1.8	89%	0.01	0.4%	0.00	0.00	83%
Americas		2.5	2.3	89%	1.1	87%	0.02	1.5%	0.01	0.01	84%
EMEA		2.6	2.1	91%	1.5	88%	0.04	2.8%	0.01	0.02	78%
Total		8.6	7.3	91%	5.1	89%	0.06	1.3%	0.02	0.03	80%
Oil and gas		6.3	5.3	90%	3.9	89%	0.05	1.2%	0.01	0.03	82%
● Upstream (E&P)		1.2	1.0	89%	0.7	87%	0.02	2.4%	0.00	0.01	84%
● Midstream (Storage/Transportation)		1.7	1.5	88%	0.9	86%	0.00	0.3%	0.00	-	37%
● Downstream (Refining, petrochemical)		1.3	0.9	93%	0.9	93%	-	-	-	-	-
● Integrated Oil & gas (Majors, state-owned companies, etc.)		1.8	1.6	97%	1.1	95%	0.00	0.4%	-	0.00	100%
● Service (Drilling, field services)		0.3	0.3	57%	0.2	49%	0.02	11.6%	0.01	0.01	81%
● Other resources (Mining)		0.9	0.8	85%	0.5	86%	0.02	3.4%	0.01	0.00	77%
Non-Japanese		7.3	6.1	90%	4.4	88%	0.06	1.5%	0.02	0.03	80%
Oil and Gas		1.2	1.1	95%	0.6	95%	-	-	-	-	-
● Other resources (Mining)		0.0	0.0	100%	0.0	100%	-	-	-	-	-
Japanese		1.3	1.2	96%	0.7	96%	-	-	-	-	-

- Oil & gas : Corporate finance 75%, Project finance 25%
- Other resources : Corporate finance 90%, Project finance 10%

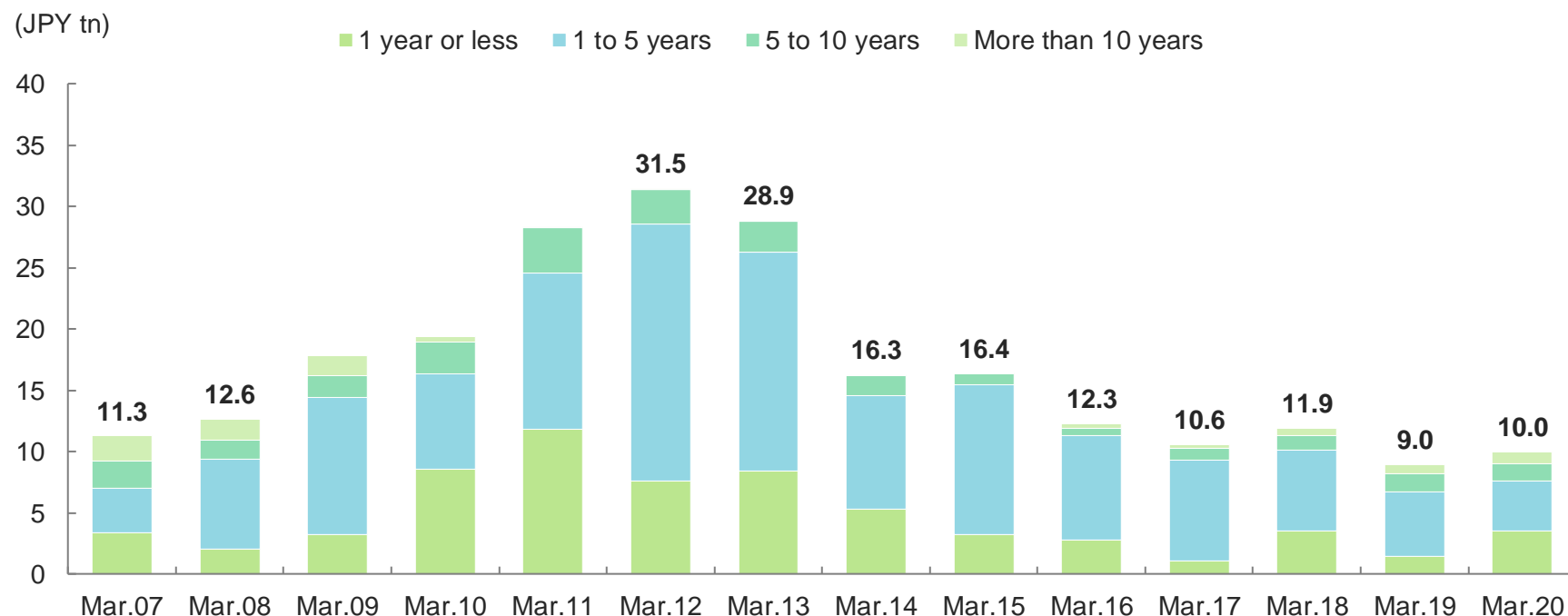
- Exposure to resource-related sectors excluding project finance which are unaffected by resource prices is JPY 6.2 tn as of Mar. 20

*1 NPLs based on the Financial Reconstruction Act, excluding Normal assets

*2 Claims on borrowers requiring caution are Asia: USD 1 bn, Americas: USD 0.4 bn, EMEA: USD 0.5 bn, mainly in Oil & gas

Yen bond portfolio

Non-consolidated (Total balance of Other securities with maturities and bonds classified as held-to-maturity – total of JGBs, local gov. bonds and corporate bonds)



of which JGBs
(JPY tn)

13.8 14.0 9.8 8.0 9.3 6.3 7.1

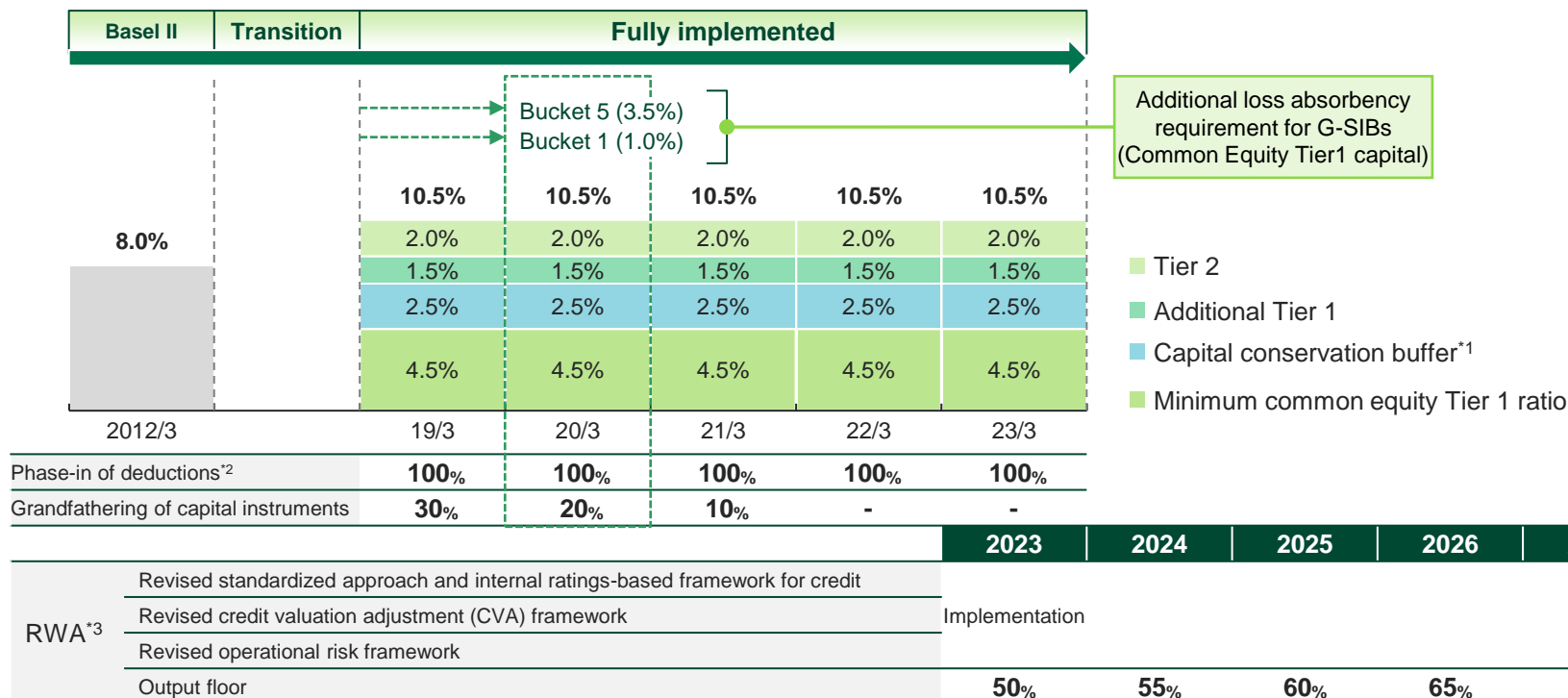
Average duration (years) ^{*1}	1.7	2.4	1.8	1.1	1.4	1.9	1.8	1.1	1.8	2.8	2.9	2.3	3.2	2.9
Unrealized gains (losses) (JPY bn) ^{*2}	(151.4)	(129.5)	(1.2)	116.1	71.9	104.4	95.3	60.0	45.9	103.8	57.5	44.2	60.5	21.4

*1 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. Duration at Mar. 02 is for JGB portfolio only

*2 15-year floating-rate JGBs have been evaluated at their reasonably estimated price from Mar. 09

Application of Basel III

Capital requirements



Leverage ratio and liquidity rules

	2019	2020	2021	2022	2023
Leverage ratio	Implementation				
Revised Leverage ratio*3, 4	Implementation				
LCR	100%				
NSFR *5					

*1 Countercyclical buffer (CCyB) omitted

*2 Intangible fixed assets, deferred tax assets and investment of unconsolidated financial institutions, etc.

*3 GHOS, the higher committee of the Basel announced that it will postpone the implementation of unimplemented Basel III standards in Mar. 20 (2022 to 2023) *4 Revised exposure definition and G-SIB buffer

*5 Not implemented in Japan, taking into account the status of other countries.

Credit ratings of G-SIBs (Operating banks)*1

(As of Apr. 30, 2020)

Moody's	Moody's	S&P	Fitch	S&P Fitch
Aaa				AAA
Aa1				AA+
Aa2	<ul style="list-style-type: none"> Bank of America Bank of New York Mellon JPMorgan Chase Bank Wells Fargo Bank 		<ul style="list-style-type: none"> Bank of New York Mellon JPMorgan Chase Bank Royal Bank of Canada State Street Bank & Trust 	AA
Aa3	<ul style="list-style-type: none"> BNP Paribas Citibank Crédit Agricole HSBC Bank ING Bank State Street Bank & Trust Toronto Dominion UBS 	<ul style="list-style-type: none"> Bank of New York Mellon HSBC Bank Royal Bank of Canada State Street Bank & Trust Toronto Dominion 	<ul style="list-style-type: none"> Bank of America HSBC Bank ING Bank Toronto Dominion UBS Wells Fargo Bank 	AA-
A1	SMBC <ul style="list-style-type: none"> Agricultural Bank of China Bank of China Barclays Bank BPCE China Construction Bank Credit Suisse Goldman Sachs Bank ICBC Mizuho Bank Morgan Stanley Bank MUFG Bank Société Générale Standard Chartered 	<ul style="list-style-type: none"> Bank of America BNP Paribas BPCE Citibank Crédit Agricole Credit Suisse Goldman Sachs Bank ING Bank JPMorgan Chase Bank Morgan Stanley Bank UBS Wells Fargo Bank 	<ul style="list-style-type: none"> Barclays Bank BNP Paribas BPCE Citibank Crédit Agricole Goldman Sachs Bank Morgan Stanley Bank Standard Chartered 	A+
A2	<ul style="list-style-type: none"> Banco Santander Royal Bank of Canada 	SMBC <ul style="list-style-type: none"> Agricultural Bank of China Banco Santander Bank of China Barclays Bank China Construction Bank ICBC Mizuho Bank MUFG Bank Société Générale Standard Chartered 	SMBC <ul style="list-style-type: none"> Agricultural Bank of China Bank of China China Construction Bank Credit Suisse ICBC Société Générale 	A
A3	<ul style="list-style-type: none"> Deutsche Bank 		<ul style="list-style-type: none"> Banco Santander Mizuho Bank MUFG Bank 	A-
Baa1	<ul style="list-style-type: none"> UniCredit 	<ul style="list-style-type: none"> Deutsche Bank 		BBB+
Baa2		<ul style="list-style-type: none"> UniCredit 	<ul style="list-style-type: none"> Deutsche Bank UniCredit 	BBB
Baa3				BBB-

*1 Long-term issuer ratings (if not available, long-term deposit ratings) for Moody's, long-term issuer local issuer currency ratings for S&P, long-term issuer default ratings for Fitch

Credit ratings of G-SIBs (Holding companies)*1

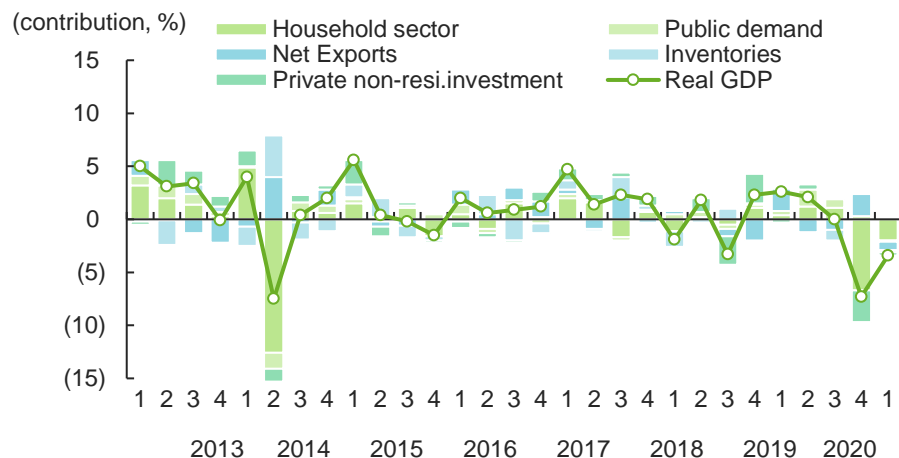
(As of Apr. 30, 2020)

Moody's	Moody's	S&P	Fitch	S&P Fitch
Aaa				AAA
Aa1				AA+
Aa2				AA
Aa3			<ul style="list-style-type: none"> Bank of New York Mellon JPMorgan State Street 	AA-
A1	SMFG <ul style="list-style-type: none"> Bank of New York Mellon <ul style="list-style-type: none"> Mizuho MUFG State Street 		<ul style="list-style-type: none"> Bank of America Groupe BPCE HSBC ING UBS Wells Fargo 	A+
A2	<ul style="list-style-type: none"> Bank of America HSBC JPMorgan <ul style="list-style-type: none"> Standard Chartered Wells Fargo 	<ul style="list-style-type: none"> Bank of New York Mellon HSBC State Street 	SMFG <ul style="list-style-type: none"> Barclays Citigroup Goldman Sachs Morgan Stanley Standard Chartered 	A
A3	<ul style="list-style-type: none"> Citigroup Goldman Sachs <ul style="list-style-type: none"> Morgan Stanley UBS 	SMFG <ul style="list-style-type: none"> Bank of America ING JPMorgan Mizuho MUFG UBS Wells Fargo 	<ul style="list-style-type: none"> Credit Suisse MUFG Mizuho 	A-
Baa1	<ul style="list-style-type: none"> ING 	<ul style="list-style-type: none"> Citigroup Credit Suisse Goldman Sachs Morgan Stanley Standard Chartered 		BBB+
Baa2	<ul style="list-style-type: none"> Barclays Credit Suisse 	<ul style="list-style-type: none"> Barclays 		BBB
Baa3				BBB-
Ba1				BB+
Ba2				BB

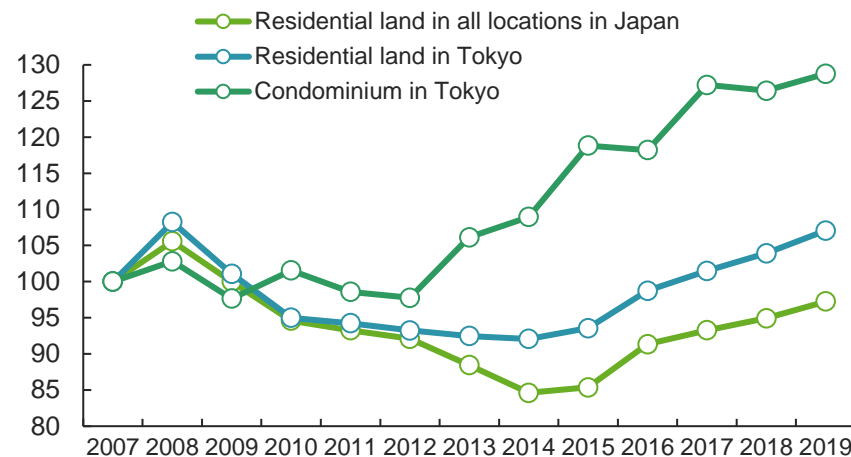
*1 Long-term issuer ratings (if not available, Senior unsecured ratings) for Moody's, long-term issuer local currency ratings for S&P, long-term issuer default ratings for Fitch

Japanese economy

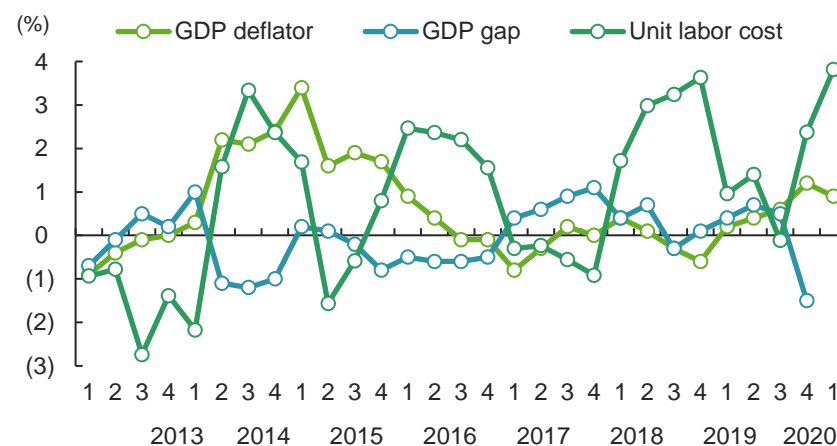
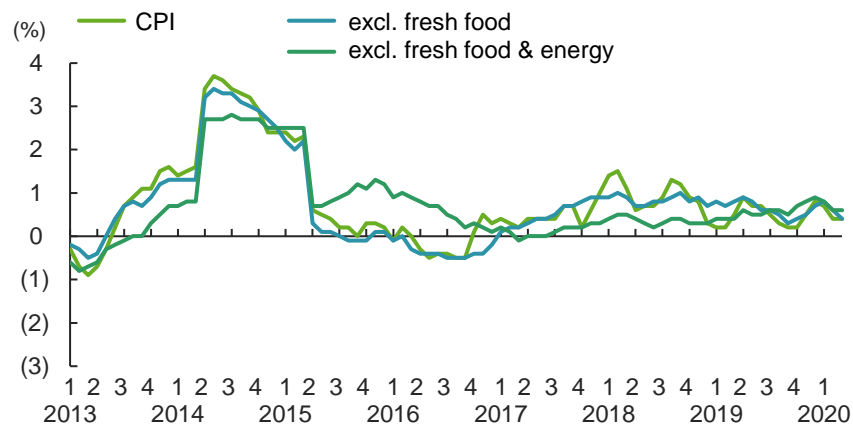
Real GDP growth rate (annualized QOQ change)*1



Residential land and condominiums*2



Indicators to measure progress out of deflation*3



*1 Cabinet Office. Seasonally adjusted series. Household sector = Private consumption + Private residential investment, Inventories = Change in private and public inventory, Public demand = Government consumption + Public investment

*2 Ministry of Land, Infrastructure, Transport and Tourism. Real Estate Economic Institute Co., Ltd.

*3 Statistics Bureau, Cabinet Office and Ministry of Internal Affairs and Communications

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