

Overview of FY3/2021

May 14, 2021



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. 20	Mar. 21
USD	JPY 108.81	JPY 110.71
EUR	JPY 119.52	JPY 129.75

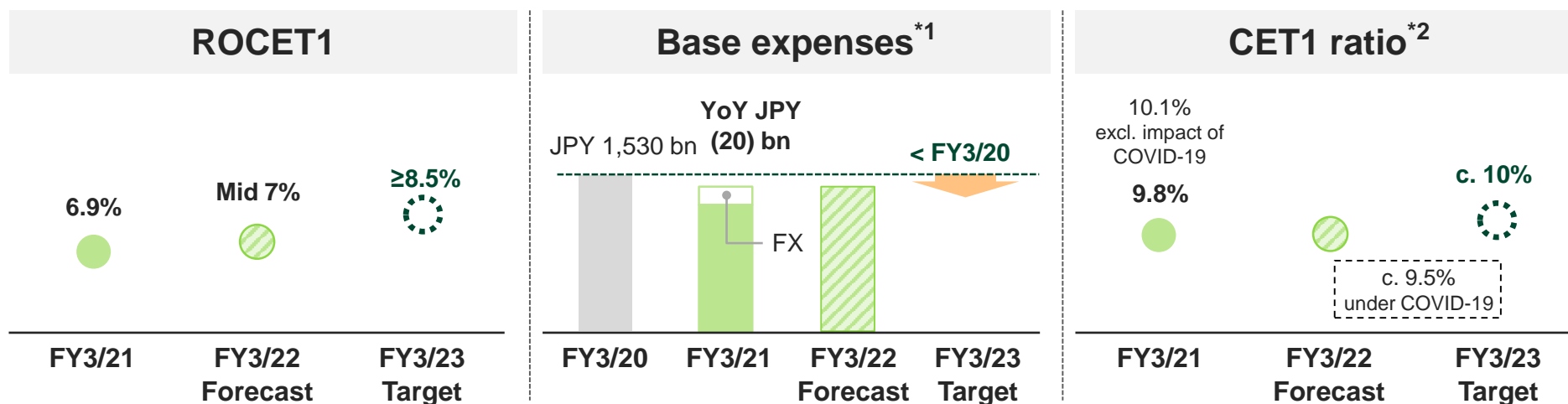
Definitions

SMFG	Sumitomo Mitsui Financial Group, Inc.
SMBC	Sumitomo Mitsui Banking Corporation
SMBC Trust	SMBC Trust Bank
SMFL	Sumitomo Mitsui Finance and Leasing
SMBC Nikko	SMBC Nikko Securities
SMCC	Sumitomo Mitsui Card Company
SMBCCF	SMBC Consumer Finance
SMDAM	Sumitomo Mitsui DS Asset Management
SMBCAC	SMBC Aviation Capital
Major local subsidiaries	SMBC Bank International, SMBC Bank EU, SMBC (China)
Consolidated	SMFG consolidated
Non-consolidated	SMBC non-consolidated
Expenses (non-consolidated)	Excluding non-recurring losses
Net business profit	Before provision for general reserve for possible loan losses
Retail Business Unit	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

Highlights

	Net business profit	Profit attributable to owners of parent	Dividends
FY3/21 results	<p>JPY 1,084.0 bn</p> <p>JPY (1) bn vs FY3/20</p>	<p>JPY 512.8 bn</p> <p>JPY (191.1) bn vs FY3/20</p>	<p>JPY 190 / share</p> <p>JPY ± 0 vs FY3/20</p>
FY3/22 target	<p>JPY 1,120 bn</p>	<p>JPY 600 bn</p>	<p>JPY 200 / share</p> <p>JPY + 10 vs FY3/21</p>

Financial Targets of the Medium-Term Management Plan



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

*2 Post-Basel III reforms basis, excludes OCI

Income statement

Both consolidated net business profit and profit attributable to owners of parent exceeded the target.
Consolidated net business profit reached the same level as last year.

	(JPY bn)	FY3/21	YoY	vs. Target
1	Consolidated gross profit	2,806.2	+37.6	
2	G&A expenses	1,747.1	+7.5	
	Overhead ratio	62.3%	(0.5)%	
3	Equity in gains (losses) of affiliates	25.0	(31.1)	
4	Consolidated net business profit	1,084.0	(1.0)	+114.0
5	Total credit cost	360.5	+189.9	(89.5)
6	Gains (losses) on stocks	92.6	+12.1	
7	Other income (expenses)	(105.0)	(42.2)	
8	Ordinary profit	711.0	(221.0)	+161.0
9	Extraordinary gains (losses)	(38.8)	+4.6	
10	Income taxes	156.3	(11.3)	
11	Profit attributable to owners of parent	512.8	(191.1)	+112.8
12	ROE	5.4%	(2.2)%	

Consolidated gross profit: increased YoY due to the strong performance of the wealth management business and overseas securities business, as well as the nimble portfolio management in Global Market Business unit. On the other hand, the credit card and consumer finance businesses were sluggish due to low domestic consumption.

G&A expenses: increased YoY mainly in the overseas business, while operating cost was reduced because of COVID-19 and by executing cost control initiatives.

Equity in gains of affiliates: decreased YoY mainly due to lower profits in SMBCAC and affiliates in Asia.

Total credit cost: increased YoY due to COVID-19 both in the domestic and overseas businesses including making forward-looking provisions for possible losses.

Gains on stocks: increased YoY due to higher gains on ETFs sales and lower losses on stock devaluations, despite lower gains on sales of strategic shareholdings (JPY 65 bn, YoY JPY (36) bn.)

Other income: decreased YoY due to the loss from forward dealings which aim to mitigate risk of stock prices.

Extraordinary losses: recorded goodwill impairment at SMDAM (JPY (31) bn).

(Ref.) Group companies

SMBC

	(JPY bn)	FY3/21	YoY	vs. Target
1 Gross banking profit		1,481.7	+69.7	
2 o/w Net interest income		936.4	+58.3	
3 o/w Gains (losses) on cancellation of investment trusts		33.8	+9.8	
4 Domestic		583.5	+21.8	
5 Overseas		352.9	+36.4	
6 o/w Net fees and commissions		330.7	+7.4	
7 Domestic		176.2	(6.2)	
8 Overseas		154.6	+13.6	
9 o/w Net trading income+ Net other operating income		212.5	+4.0	
10 o/w Gains (losses) on bonds		80.0	+5.8	
11 Expenses		816.5	+8.4	
12 Banking profit		665.2	+61.2	+145.2
13 Total credit cost		242.7	+193.1	(47.3)
14 Gains (losses) on stocks		63.5	+11.7	
15 Extraordinary gains (losses)		(49.9)	+72.3	
16 Net income		338.0	+20.7	+168.0

Other major group companies

(left : results of FY3/21 / right : YoY)

(JPY bn)	SMBC Nikko ^{*1}		SMCC		SMBCCF	
Gross profit	424.5	+63.6	385.6	(34.5)	259.7	(14.7)
Expenses	307.8	+2.7	317.3	(10.8)	110.6	(3.3)
Net business profit	116.7	+60.9	68.7	(23.6)	149.1	(11.4)
Net income	92.6	+48.0	35.8	(2.4)	54.1	(36.0) ^{*2}

(Equity method affiliate)

	SMBC Trust		SMDAM 50%		SMFL ^{*5} 50%	
Gross profit	40.2	(9.2)	34.1	(1.0)	176.8	+3.4
Expenses	43.9	(4.6)	32.3	+0.3	85.7	+1.0
Net business profit	(3.7)	(4.6)	1.8	(1.3)	95.2	+3.7
Net income	(8.5)	+24.2 ^{*3}	(28.0)	(29.0) ^{*4}	33.6	(27.6)

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

*2 The absence of increased tax effect recorded last year *3 The absence of goodwill impairment loss recorded last year

*4 Goodwill impairment loss *5 Managerial accounting basis

FY3/2022 target

Consolidated

	Results FY3/21 (JPY bn)	Target	
		FY3/22	1H
Consolidated net business profit	1,084.0	① 1,120	550
Total credit cost	360.5	② 300	160
Ordinary profit	711.0	880	430
Profit attributable to owners of parent	512.8	③ 600	300



① Consolidated net business profit	YoY increase of JPY 36 bn due to the smaller negative impact of COVID-19 and the profit increase in RT/WS/GB business units, while the profit of GM business unit is expected to return to a normalized level.
② Total credit cost	JPY 300 bn, considering the uncertainty of COVID-19 continues.
③ Profit attributable to owners of parent	JPY 600 bn (YoY JPY +87.2 bn) due to the absence of goodwill impairment recorded in FY3/21 on top of the changes in net business profit and credit cost.

Non-consolidated

	Results FY3/21 (JPY bn)	Target	
		FY3/22	1H
Banking profit	665.2	615	290
Total credit cost	242.7	170	100
Ordinary profit	436.1	530	240
Net income	338.0	370	170

COVID-19 impact

Negative impact of COVID-19 was smaller than our original forecast in FY3/21.
It is expected to be smaller YoY in FY3/22, while the uncertain environment continues.

(JPY bn)	FY3/21					FY3/22	
	COVID-19 impact	Forecast	COVID-19 impact	Others	Actual	COVID-19 impact	Forecast
	A	B	C	D	E	F	G
Consolidated net business profit	(170)	970	(100)	① +44	1,084.0	(70)	1,120
Total credit cost	+260	+450	+170	(270) ⁻	360.5	+100	(170) ⁻ 300
Profit attributable to owners of parent	(310)	400	(190)	-	512.8	(120)	600
RWA	Cumulative JPY +5 tn	JPY 92 tn	Cumulative JPY +3 tn		JPY 92 tn	Cumulative JPY +3 tn	JPY 93 tn
CET1 ratio (change)	(0.5)%	9.5%	(0.3)%		9.8%		
OHR	FY3/20 62.8%		FY3/21 62.3%				

COVID-19 impact figures are rough estimates.

① Mainly due to the strong performance in GM business unit.

Shareholder returns

Increased dividend target for FY3/22 by JPY 10 to enhance shareholder returns.
Not to announce share buybacks in order to assess the final impact of COVID-19.

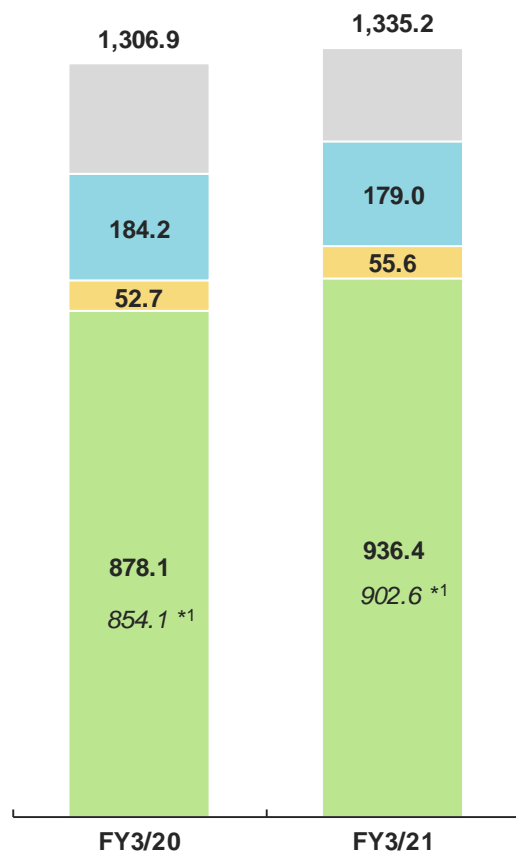
(JPY)	FY3/20	FY3/21	YoY	FY3/22 target	YoY
DPS	190	190	±0	200	10
Dividend payout ratio	37%	51%	+14%	45%	(6)%
Share buybacks	May. 19 100 bn	—	—	—	—
Total payout ratio	51%	—	—	—	—
Net income	703.9 bn	512.8 bn	(191.1) bn	600.0 bn	+87.2 bn

Consolidated gross profit

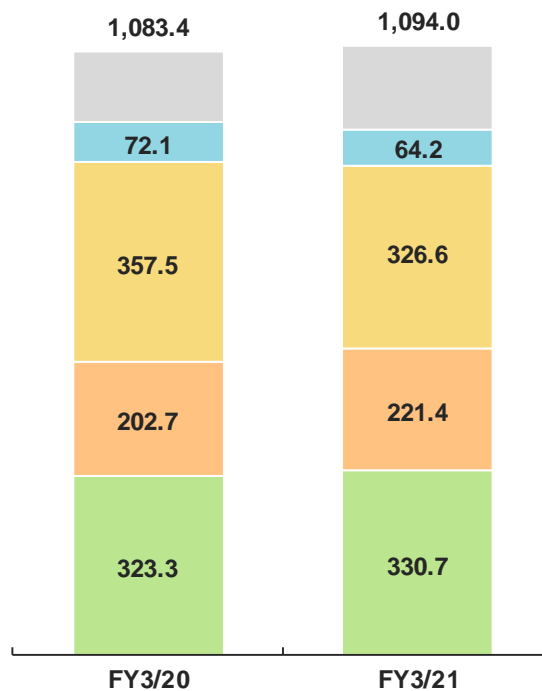
■ SMBC ■ SMBC Nikko ■ SMCC ■ SMBCCF ■ Others

Net interest income

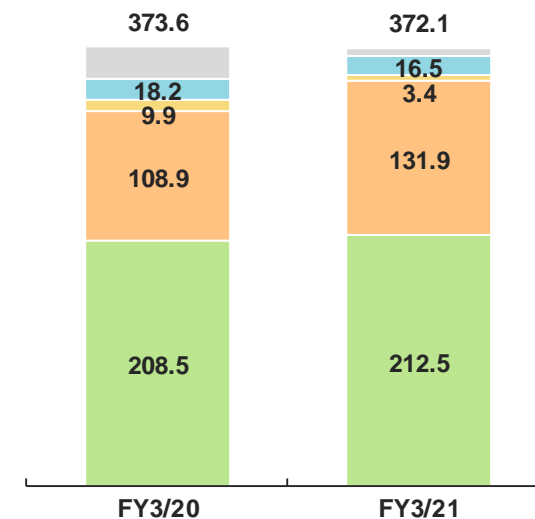
(JPY bn)



Net fees and commissions



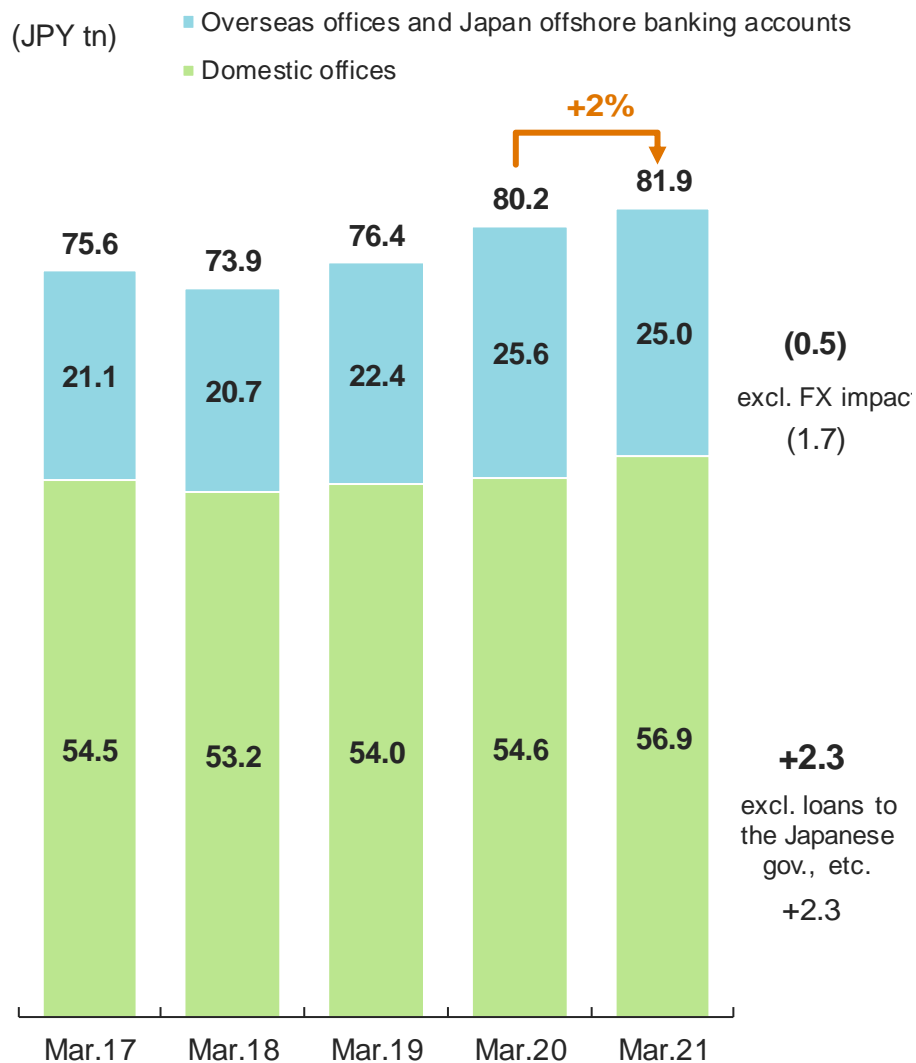
Net trading income + Net other operating income



*1 Excluding gains on cancellation of investment trusts

Loans*1

Loan balance



Domestic loan-to-deposit spread

(%)	FY3/21	YoY	1H	2H
Interest earned on loans and bills discounted	0.84	(0.07)	0.83	0.84
Interest paid on deposits, etc.	0.00	(0.00)	0.00	0.00
Loan-to-deposit spread	0.84	(0.07)	0.83	0.84

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

Interest earned on loans and bills discounted	0.86	(0.07)	0.86	0.86
Loan-to-deposit spread	0.86	(0.07)	0.86	0.86

Average loan balance and spread*2

	Balance (JPY tn)		Spread (%)	
	FY3/21	YoY*4	FY3/21	YoY
Domestic loans	56.4	+4.0	0.70	(0.03)
Excluding loans to the Japanese government, etc.	53.7	+3.9	0.73	(0.04)
o/w Large corporations	19.3	+3.4	0.50	(0.03)
Mid-sized corporations & SMEs	18.8	+1.2	0.60	(0.03)
Individuals	12.3	(0.6)	1.42	(0.04)
GBU's interest earning assets*3	338.8 USD bn	+25.3 USD bn	1.16	+0.06

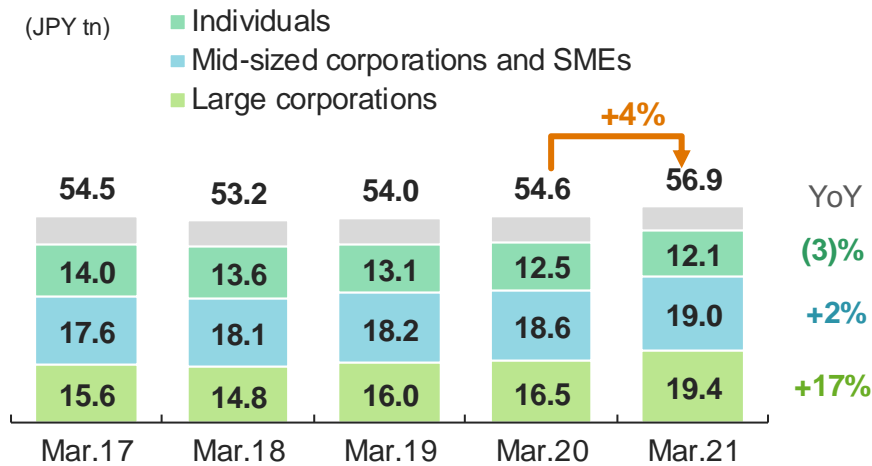
*1 Non-consolidated *2 Managerial accounting basis

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

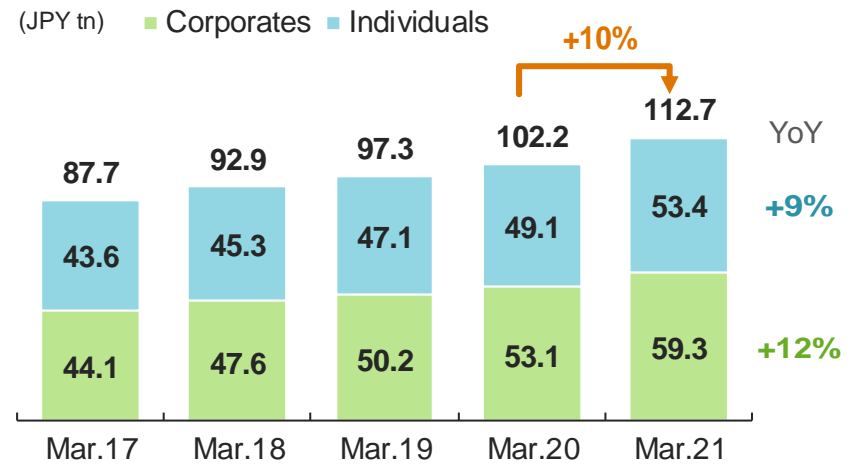
*4 After adjustments for exchange rates, etc.

Domestic loans and deposits*1

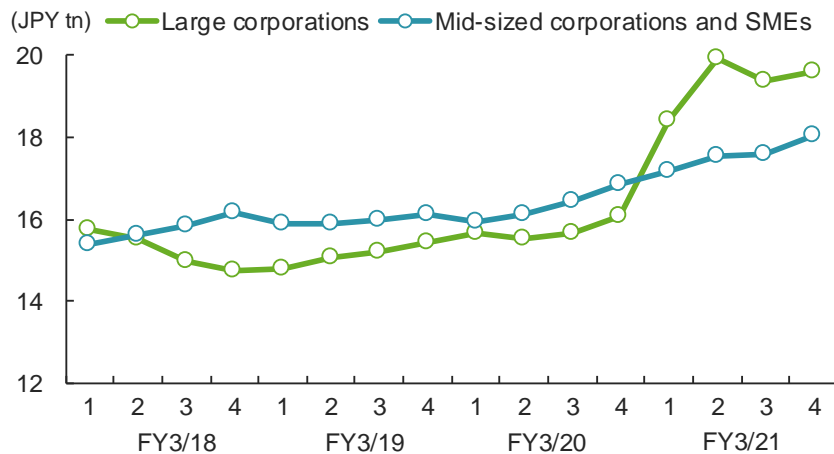
Loan balance*2



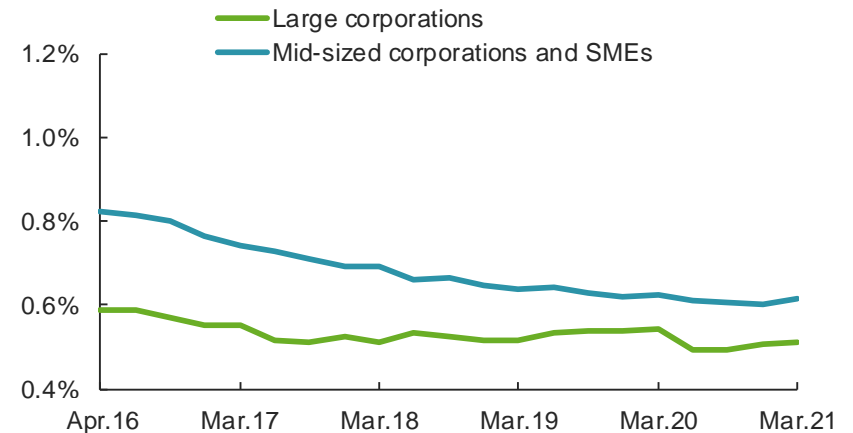
Deposit balance



Loan average balance for corporates*2,3



Loan spread for corporates*2,4



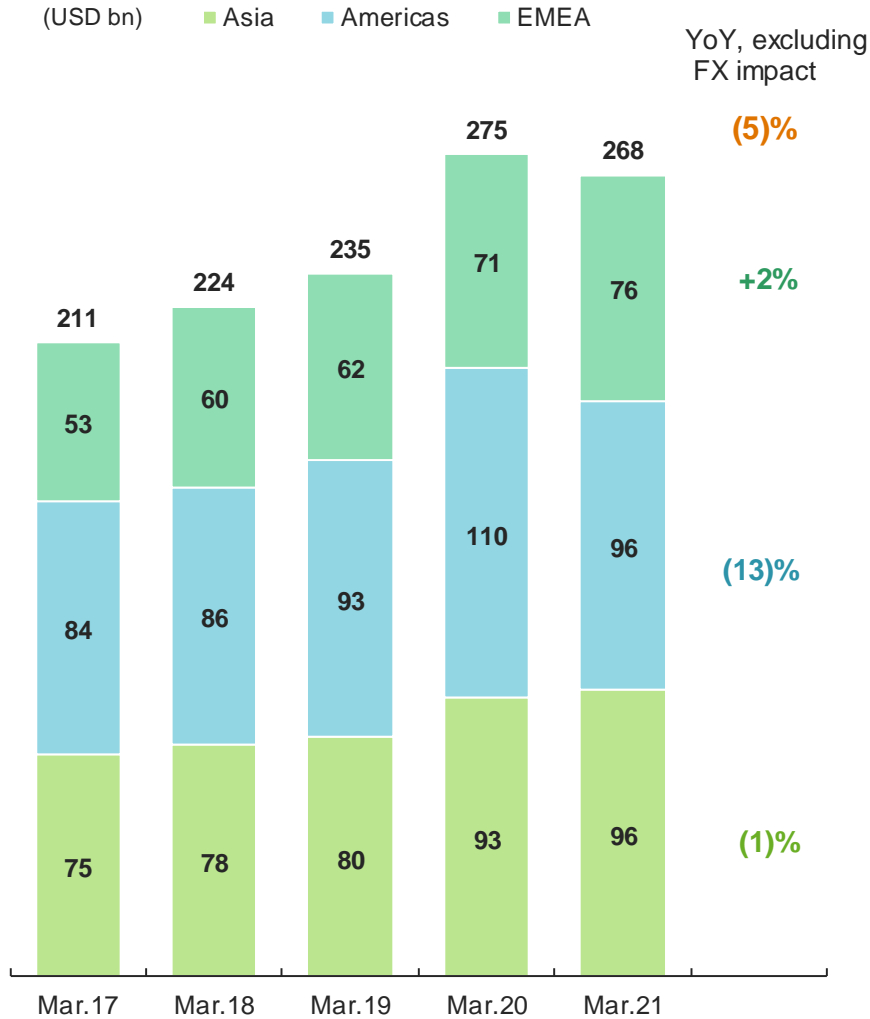
*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average, excluding loans to the Japanese government.

Figures for SMEs are the outstanding balance of Corporate banking division

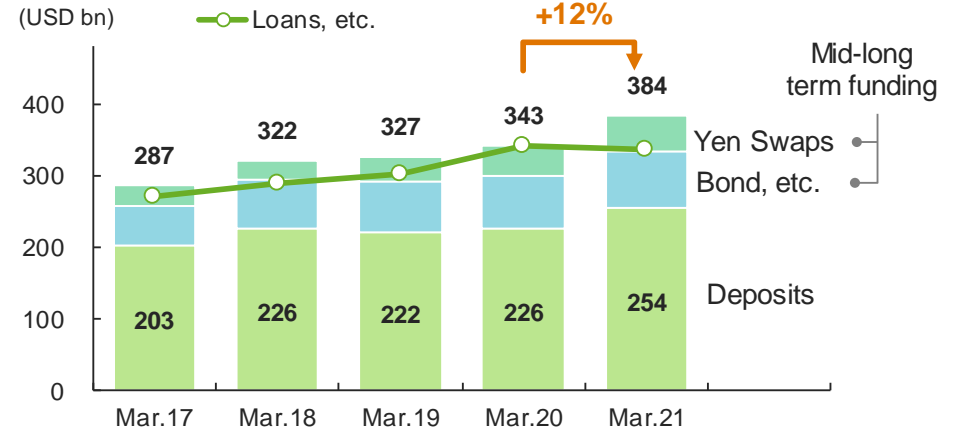
*4 Loan spread of existing loans, excluding loans to the Japanese government

Overseas loans and deposits*1

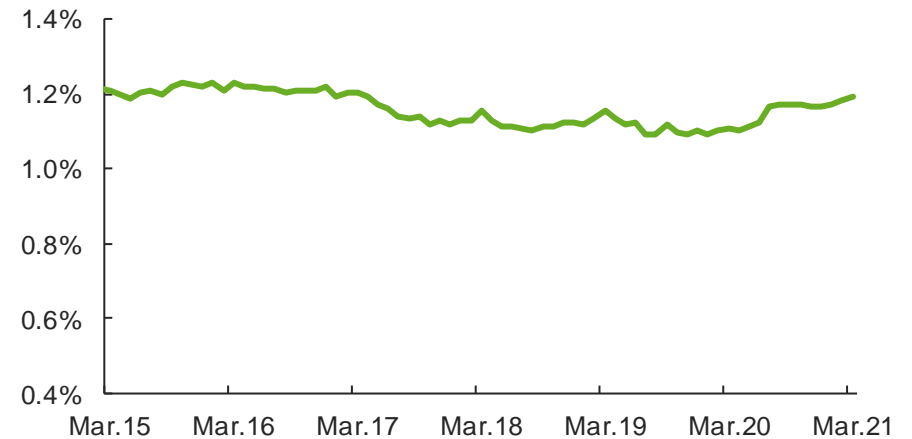
Loan balance



Foreign currency balance



Loan spread*2

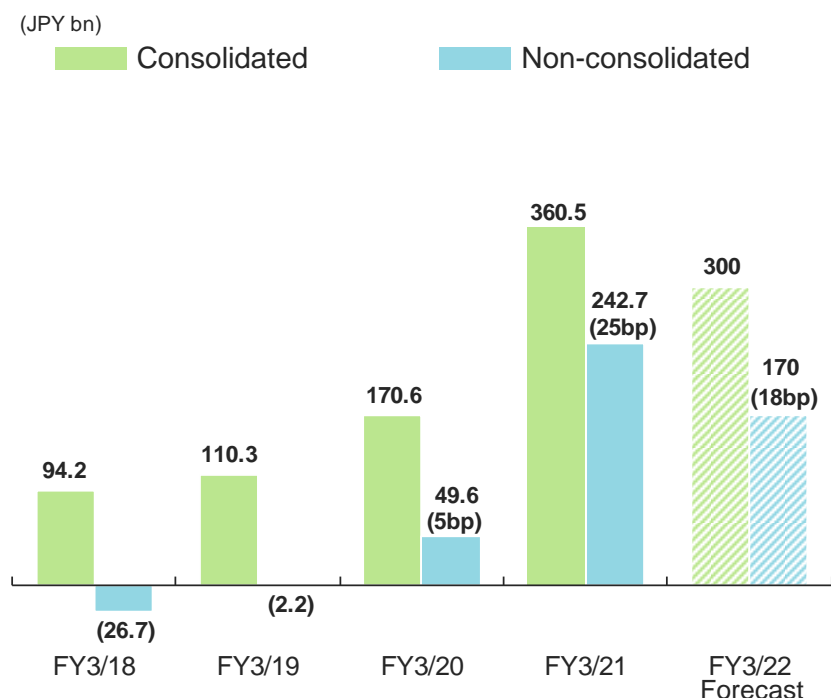


*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

*2 Monthly average loan spread of existing loans

Asset quality

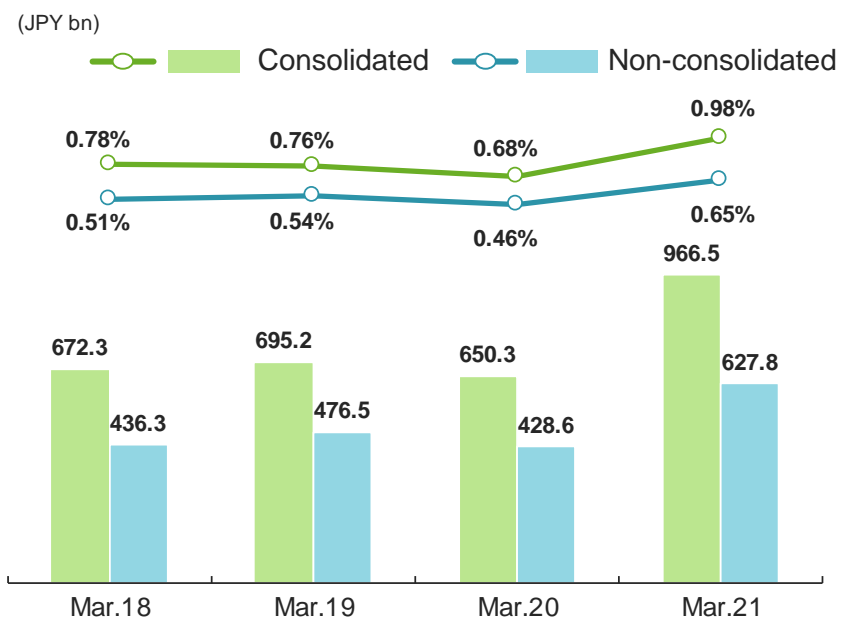
Credit costs*1



Major group companies

(JPY bn)	FY3/21	YoY
SMBCCF	52	(21)
SMCC	22	(10)

Non-performing loan balance*2



Total claims

	(JPY tn)		
Consolidated	91	96	99
Non-consolidated	89	93	96

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

Non-consolidated	0.8	0.9	1.9
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*1 Total credit cost ratio = Total credit cost / Total claims

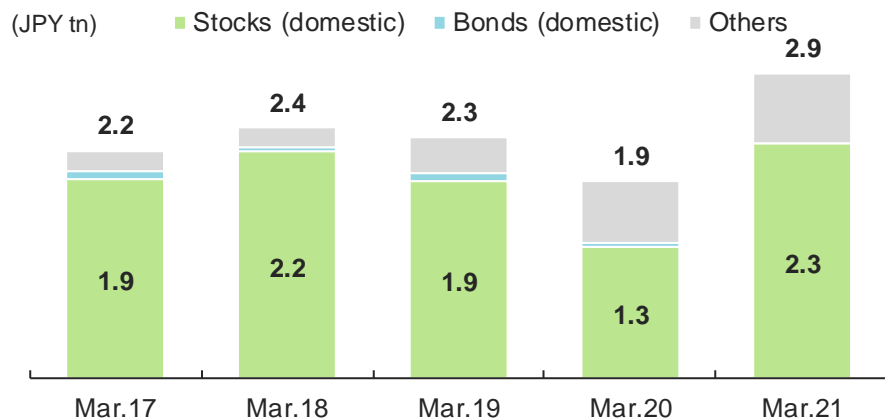
*2 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

Securities (1)

Breakdown of other securities (consolidated)

	B/S amount		Unrealized gains (losses)		
	(JPY bn)	Mar.21	vs Mar.20	Mar.21	vs Mar.20
Total		36,411.2	+9,762.0	2,931.8	+1,039.5
Stocks (domestic)		3,693.3	+956.5	2,255.6	+986.1
Bonds (domestic)		17,655.2	+7,587.8	8.0	(13.5)
o/w JGBs		14,293.6	+7,205.7	(14.1)	(6.9)
Others		15,062.7	+1,217.7	668.2	+66.9
o/w Foreign bonds		12,110.1	+460.6	1.3	(254.3)

Unrealized gains

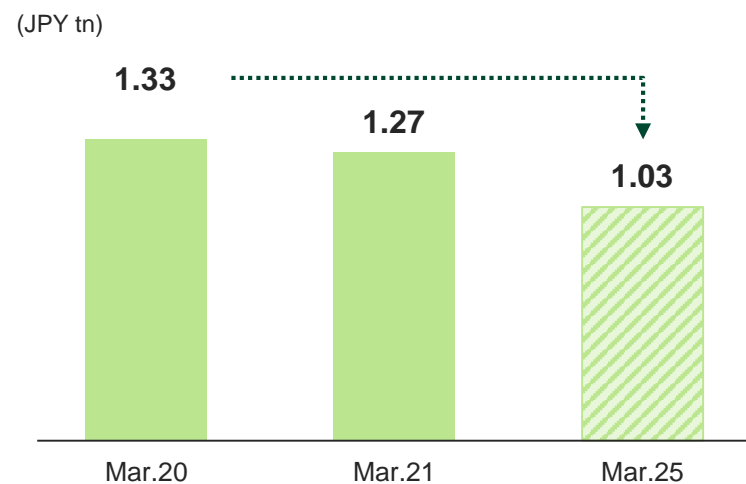


Strategic shareholdings

Progress as of Mar.21	Reduction	JPY 55 bn
	Consent of sales from clients outstanding	JPY 54 bn
		JPY 109 bn

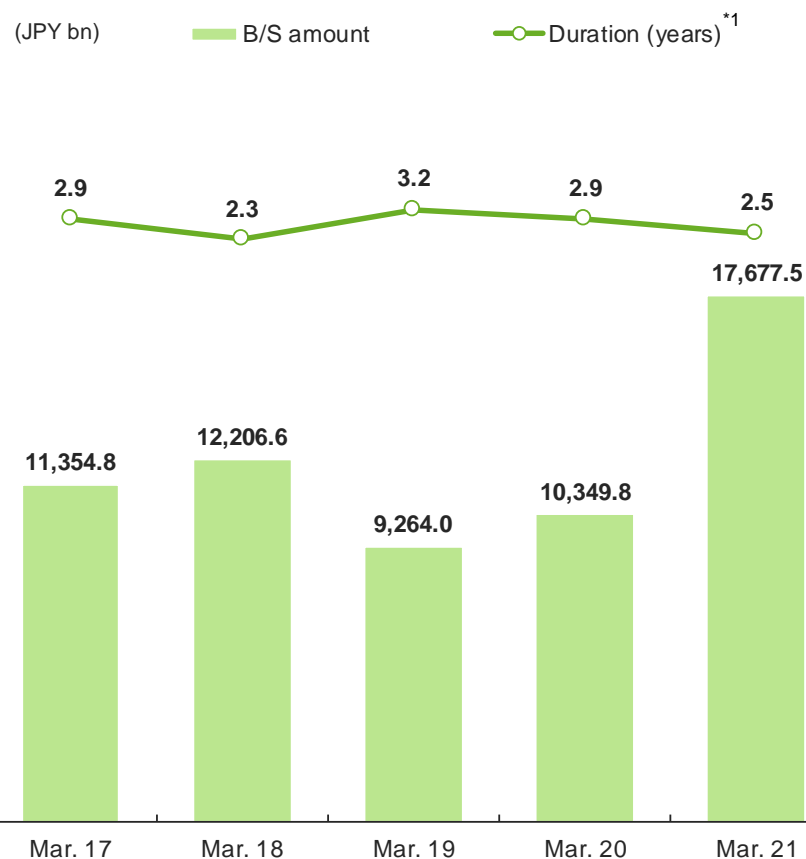
Reduction plan

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



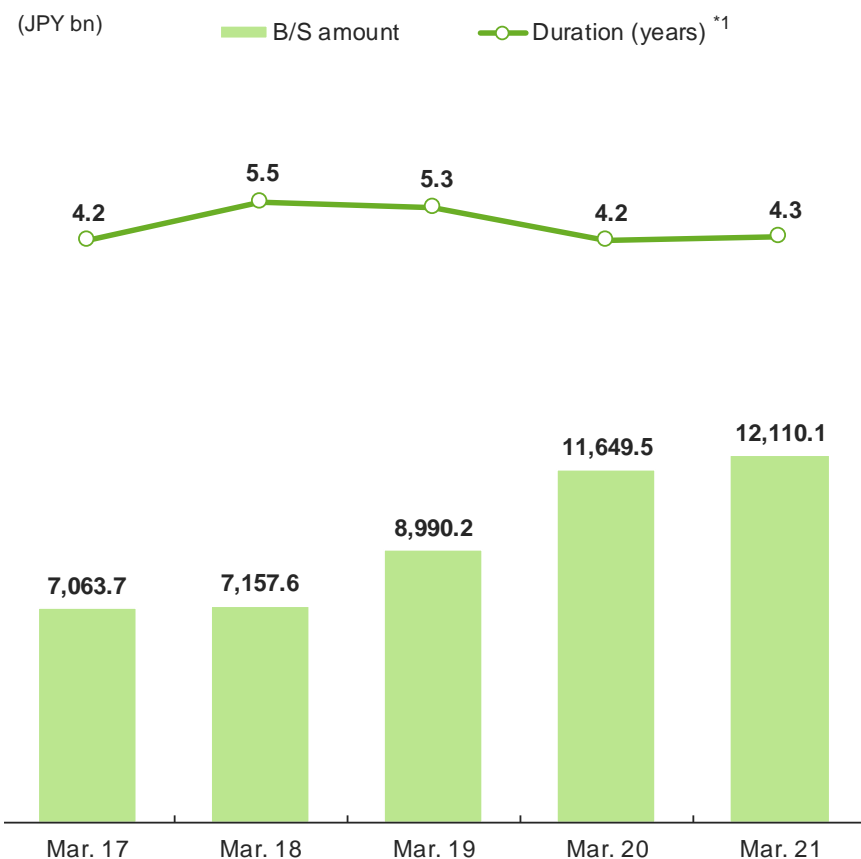
Securities (2)

Yen-denominated bonds (consolidated)



Unrealized gains(losses)	46.5	61.3	21.7	8.0
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Foreign bonds (consolidated)



Unrealized gains(losses)	(159.4)	(28.4)	255.7	1.3
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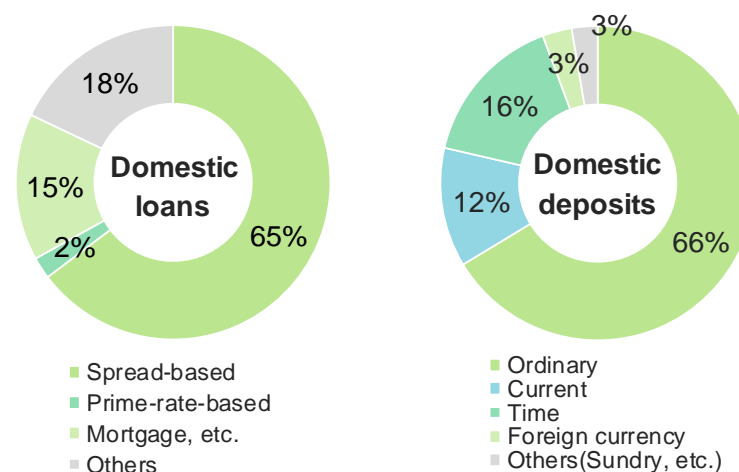
*1 Non-consolidated. Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero.

Balance sheet

Consolidated

	(JPY tn)	Mar. 21	vs Mar.20
Total assets		242.6	+22.7
o/w Cash and due from banks		72.6	+10.8
o/w BOJ's current account balance ^{*1}		59.8	+11.1
o/w Loans		85.1	+2.6
o/w Domestic loans ^{*1}		56.9	+2.3
o/w Large corporations ^{*2}		19.4	+2.9
55 Mid-sized corporations & SMEs ^{*2}		19.0	+0.4
55 Individuals ^{*2}		12.1	(0.3) ^{*3}
o/w Securities		36.5	+9.4
o/w Other securities		36.4	+9.8
o/w Stocks		3.7	+1.0
55 JGBs		14.3	+7.2
55 Foreign bonds		12.1	+0.5
Total liabilities		230.7	+21.6
o/w Deposits		142.0	+15.0
o/w Domestic deposits ^{*1}		112.7	+10.5
Individuals		53.4	+4.4
Corporates		59.3	+6.1
o/w NCD		12.6	+2.4
Total net assets		11.9	+1.1
Loan to deposit ratio		55.1%	

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



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

(USD bn)	
Interest earning assets	Deposits (incl. deposits from central banks)
338	254
Others 136	Mid-long term funding (incl. corporate bonds, currency swaps, etc.)
Foreign bonds, NCD 73	130
	CD/CP 70
	Interbank (incl. Repo) 93
Assets / Liabilities 547	

*1 Non-consolidated *2 Managerial accounting basis *3 After adding back the portion of housing loans securitized in FY3/21 of JPY101.7bn *4 Sum of SMBC and major local subsidiaries

Capital / RWA

	Mar. 21	Requirement ^{*1}
Capital ratio		
Total capital ratio	18.61%	11.5%
CET1 ratio (Basel III fully-loaded basis)	16.00%	8%
excl. OCI	12.8%	-
CET1 ratio (Post-Basel III reforms)	11.5%	8%
excl. OCI	9.8%	-
External TLAC ratio		
RWA basis	25.82%	16%
Leverage exposure basis	9.77%	6%
Leverage ratio	5.65%	3%
LCR (Average 4Q FY3/21)	140.1%	100%

	(JPY bn)	Mar. 20	Mar. 21
Total capital		11,552.0	12,289.3
Tier1 capital		10,249.9	11,199.3
o/w CET1 capital		9,581.3	10,562.8
Tier2 capital		1,302.1	1,090.0
External TLAC		18,162.0	19,373.3
Risk-weighted assets		61,599.1	66,008.0
Leverage exposure		237,488.7^{*2}	198,170.8

*1 Excluding countercyclical buffer

*2 Including deposits with the Bank of Japan

Results by business unit

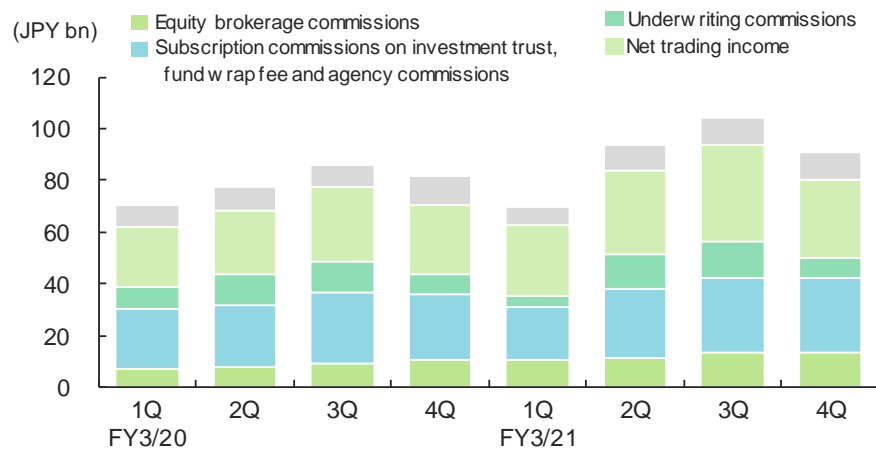
		(JPY bn)	FY3/20	FY3/21	YoY*1
Retail	Gross profit		1,175.5	1,127.4	(48.7)
	Expenses		934.9	910.4	(24.1)
	<i>Overhead ratio</i>		79.5%	80.8%	+1.3%
	Net business profit		242.6	219.2	(24.4)
Wholesale	Gross profit		598.8	634.9	+14.8
	Expenses		291.6	299.9	(3.7)
	<i>Overhead ratio</i>		48.7%	47.2%	(1.7)%
	Net business profit		360.1	388.5	+21.5
Global	Gross profit		665.9	723.7	+42.9
	Expenses		362.8	383.3	+12.4
	<i>Overhead ratio</i>		54.5%	53.0%	(1.5)%
	Net business profit		355.7	366.7	+3.9
Global Markets	Gross profit		437.4	460.7	+22.1
	Expenses		78.8	82.9	+3.3
	<i>Overhead ratio</i>		18.0%	18.0%	(0.2)%
	Net business profit		391.1	413.5	+22.0

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

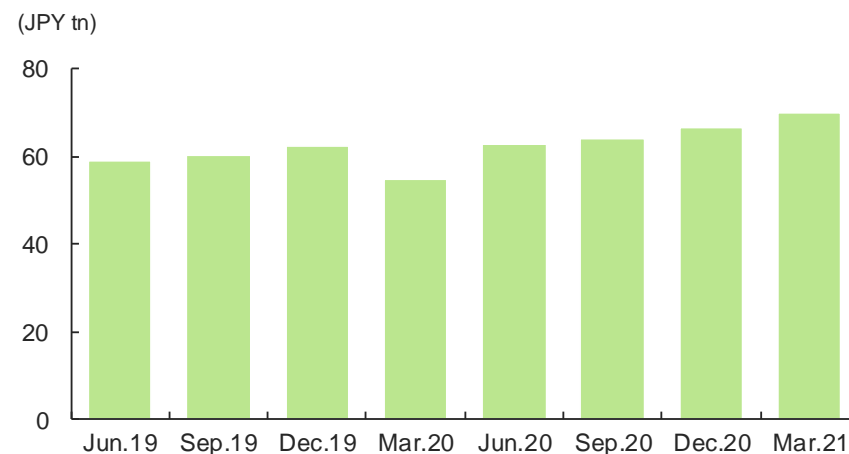
Financial results

(JPY bn)	FY3/20	FY3/21	YoY
Net operating revenue	316.0	357.9	+41.9
SG&A expenses	273.0	273.4	+0.4
Ordinary income	49.8	90.7	+40.9
Net income	39.2	71.7	+32.5

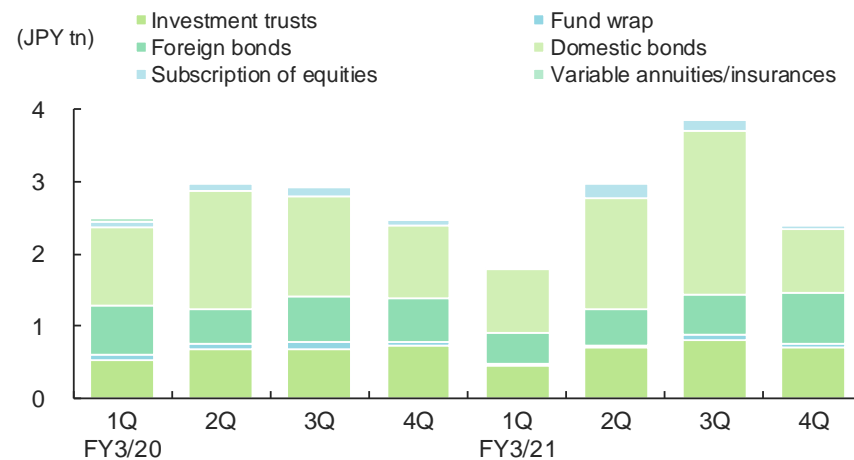
Net operating revenue



Client assets



Product sales

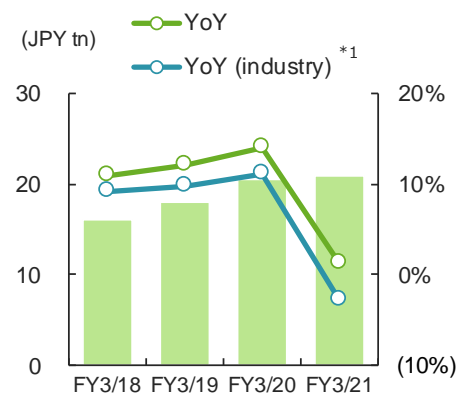


Financial results

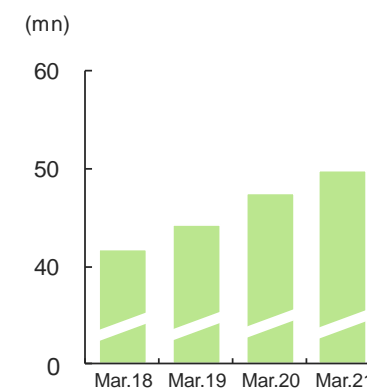
(JPY bn)	FY3/20	FY3/21	YoY
Operating revenue	480.8	447.5	(33.3)
o/w Commission fee	153.0	143.7	(9.3)
Finance	109.2	101.5	(7.8)
Sales on credit	35.8	32.3	(3.5)
Receipt agency	46.7	48.1	+1.4
Operating expense	430.3	413.0	(17.3)
o/w Expenses for loan losses	32.3	22.7	(9.6)
Expense for interest repayments	12.0	14.4	+2.4
Ordinary profit (loss)	50.8	35.3	(15.5)
Net income	38.2	35.8	(2.4)
Finance outstanding	738.3	667.5	

Key figures

Sales handled

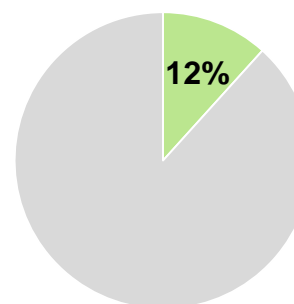


of card holders

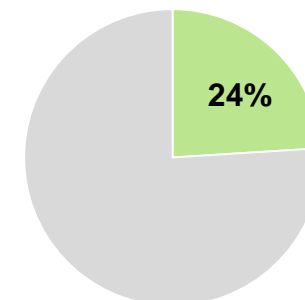


Market share*2

Issuing



Acquiring



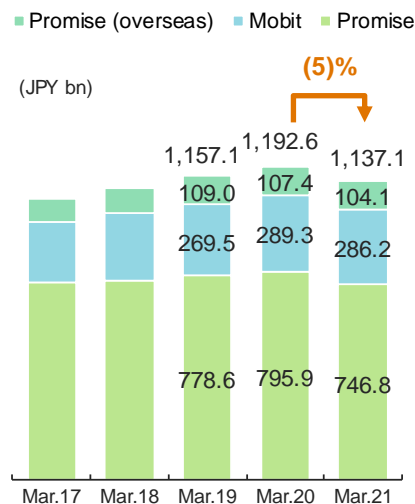
*1 The Japan Consumer Credit Association "Credit card behavior investigation" Shopping credit amount

*2 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2020 : JPY 62 tn)

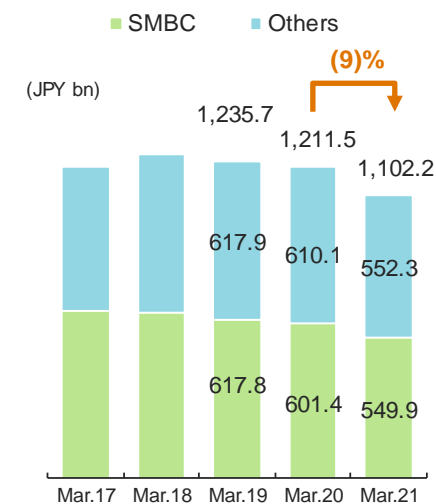
Financial results

(JPY bn)	FY3/20	FY3/21	YoY
Operating income	288.5	273.5	(15.0)
o/w Interest revenues	184.9	178.8	(6.1)
Loan guarantee revenues	68.7	61.1	(7.5)
Operating expenses	228.3	200.8	(27.5)
o/w Expenses for loan losses	68.2	53.3	(14.9)
Expense for loan guarantees	15.3	9.9	(5.4)
Expenses for interest repayments	27.0	24.0	(3.0)
Ordinary profit	60.5	73.5	+13.0
Net income	90.1	54.1	(36.0)
NPLs	78.3	85.2	
(NPL ratio)	6.57%	7.49%	
Allowance on interest repayments (provision)	106.1	100.8	
	3.2 yrs	3.4 yrs	

Consumer loans



Loan guarantee



No. of interest refund claims

