



Investors Meeting FY 3/2021

May 18, 2021



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Hello everyone. This is Jun Ohta, Group CEO of SMBC Group.
Thank you very much for your interest in us and your ongoing support.

One year has passed since I announced our Medium-Term Management Plan during the first state of emergency in Japan last year.

The uncertainty of COVID-19 was much larger at that time, but I never imagined we would hold an investors meeting via video again this year.

FY3/21 was indeed a year that started and ended with COVID-19. We have been firmly fulfilling our responsibility, as a financial institution and as an infrastructure of society, by giving top priority to support our customers and ensure the safety of our employees.

In terms of business performance, although being unable to show our inherent strengths in the 1H, we steadily came back on track in terms of the quantity and quality of our activities in the 2H. With robust market conditions, consolidated net business profit and bottom-line profit significantly exceeded our initial forecast.

However, I am not satisfied with our results at all. Nonetheless, I was relieved to see that our business has been recovering to the pre-COVID-19 level.

On the other hand, strategies that we need to accelerate and challenges that we face became clear with COVID-19. We need to adapt to such challenges faster than ever before.

Today, I would like to talk mainly about our initiatives on such challenges.

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 (RT)	Domestic retail business
Wholesale Business Unit (WS)	Domestic wholesale business
Global Business Unit (GB)	International business
Global Markets Business Unit (GM)	Market / Treasury related businesses
OCI	Net unrealized gains on other securities

Agenda

I	Financial Results	4	IV	Capital Policy	49
	Summary	5		Basic capital policy	50
	COVID-19 impact	8		Capital position	51
				Shareholders returns	52
				Strategic shareholdings	55
II	Transformation & Growth	24	V	Break the mold	56
	Roadmap to 2022				
	(1) Financial targets	25			
	(2) Consolidated net business profit	26			
	(3) Bottom-line profit	27			
	Seven key strategies	28			
III	Quality	40		Appendix	61

This is today's agenda.

First, I will summarize the financial results of FY3/21, including the business impact of COVID-19. Then I will explain the progress of the Medium-Term Management Plan, followed by capital policy, and my efforts to create new businesses.



I. Financial Results

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 SMBAC 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).

This is a brief summary of the FY3/21 results.

In spite of the negative impact by COVID-19, consolidated net business profit significantly exceed our target and reached the same level as last year. This was mainly due to the capital allocation made to expand top-line revenues and favorable market conditions.

Total credit cost increased both domestically and overseas including making forward-looking provisions for possible losses.

On top of that, proactive provisions and charges including provisions for losses on interest repayment in the consumer finance business resulted in a profit attributable to owners of parent of JPY 512.8 billion.

(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

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FY3/2022 target

Consolidated

	Results FY3/21	Target	
(JPY bn)		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	Target	
(JPY bn)		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 (1) Summary

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	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%		
COVID-19 impact figures are rough estimates.							
OHR	FY3/20 62.8%		FY3/21 62.3%				

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

It is difficult to calculate precisely where and how much the impact of COVID-19 is, because it has both positive and negative effects. This slide gives you a rough image of the overall impact.

The actual impact of FY3/21 shown in column C was significantly smaller than our original forecast show in column A for both consolidated net business profit and credit costs.

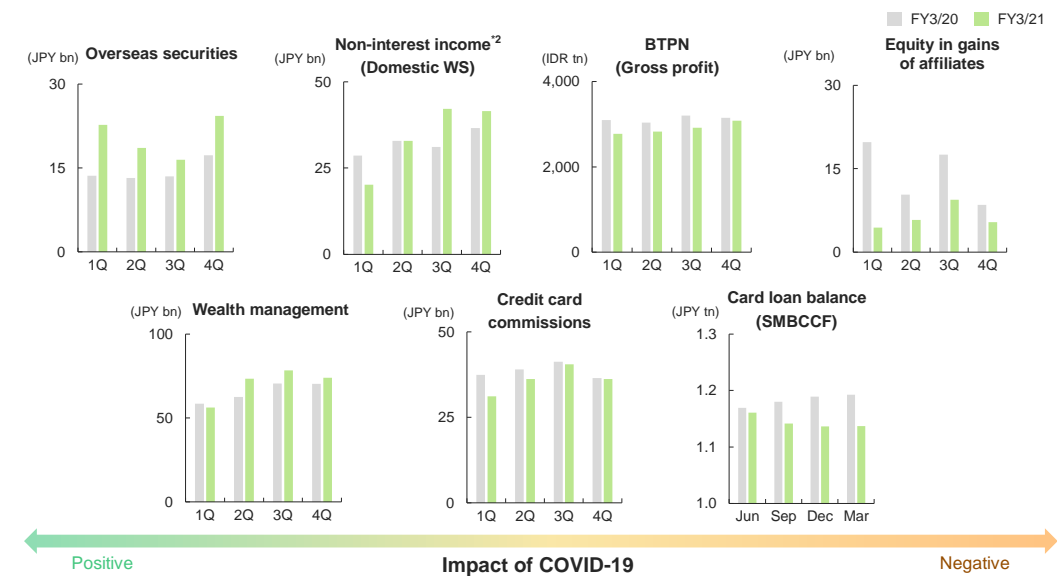
As a result, the actual impact on bottom-line profit was JPY (190) billion. Excluding this negative impact, bottom-line profit would have exceeded JPY 700 billion and be close to what we would have expected for the Medium-Term Management Plan before COVID-19.

While we expect the negative impact will continue in FY3/22, particularly in consumer finance business, non-interest income and equity in gains of affiliates are expected to increase YoY as economic activities and demand for aircrafts recovers. We expect the impact on consolidated net business profit will be JPY (70) billion, JPY 30 billion smaller than FY3/21.

The impact to credit costs is also expected to be smaller to JPY 100billion, and we expect the impact on bottom-line profit will be JPY (120) billion this year.

COVID-19 impact (2) Business line breakdown

Many of our businesses have been recovering since 2H of FY3/21.
 Monthly average net business profit ^{*1} in RT/WS/GB increased from JPY 73 bn in 1H to JPY 87 bn in 2H.



^{*1} Calculated with the FX rates assumption in medium-term management plan (USD 1=JPY 105)
^{*2} Syndicated loans, structured finance, real estate finance and securities business

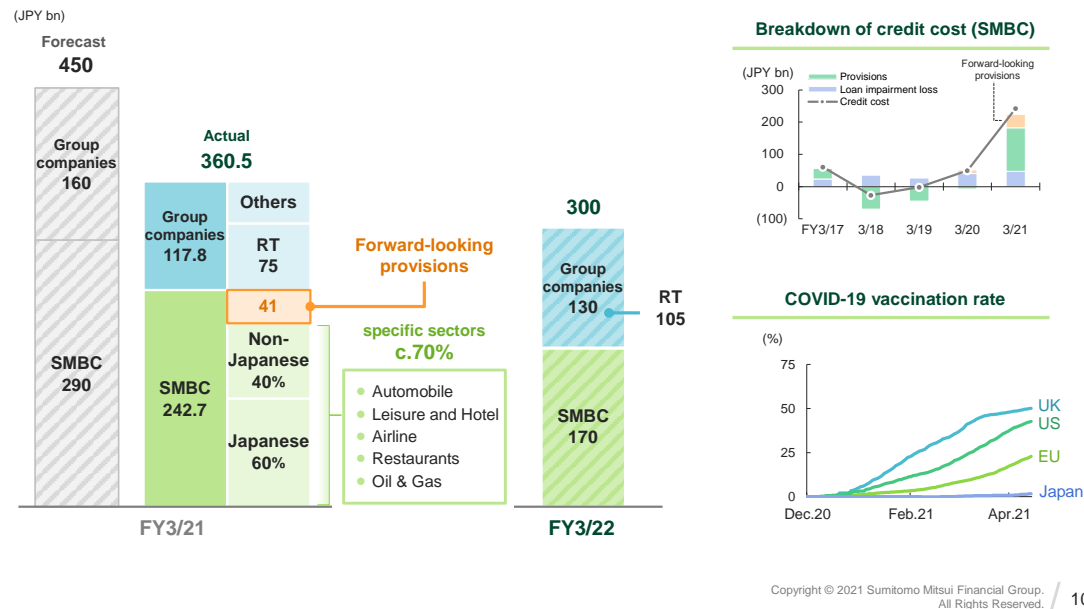
While the overseas securities business benefitted from COVID-19, our strong credit card and consumer finance businesses were negatively impacted particularly in the 1H, due to domestic low consumption.

Equity in gains of affiliates decreased significantly, mainly due to the aircraft leasing business.

Nevertheless, many of our businesses have been recovering since the 2H. As a result, the monthly average net business profit of retail, wholesale, and global business units combined increased from JPY 73 billion in the 1H to JPY 87 billion in the 2H.

COVID-19 impact (3) Credit cost

70% of credit cost came from specific sectors in FY3/21.
Made forward-looking provisions by identifying sectors that are expected to be highly impacted by COVID-19.



Credit cost was JPY 90 billion lower than expected, thanks to worldwide government support and liquidity support from banks.

70% of credit cost came from specific sectors in FY3/21. As we were able to identify sectors that are expected to be highly impacted by COVID-19, we made forward-looking provisions.

Though the economy is expected to recover globally as vaccination expands, we expect credit cost to be JPY 300 billion in FY3/22. This is because the uncertainty will still continue; Tokyo and other areas in Japan are under the third state of emergency as new variants of COVID-19 have been spreading.

This is higher than our normalized level of credit cost, which is JPY 200-250 billion.

We will firmly control our credit portfolio to return to our normalized level by FY3/23, the final year of the Medium-Term Management Plan.

COVID-19 impact (4) Aircraft leasing

Focus on sustainable growth as demand for domestic flight recovers.

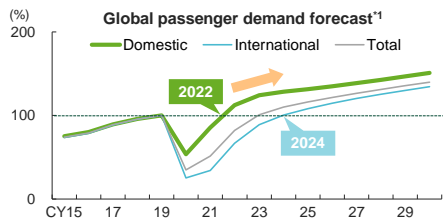
Financial results

Maintained positive net income despite COVID-19

SMBCAC

(USD mn)	FY3/20	FY3/21	YoY
Lease income	1,135	1,119	(16)
Credit / Asset impairment charges	32	334	+302
Net income	334	17	(317)

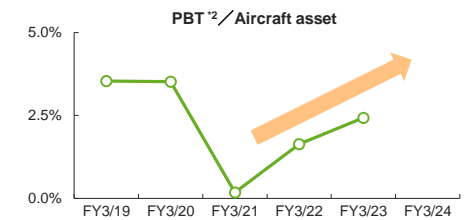
Domestic demand is expected to recover by 2022



Initiatives

Aircraft Portfolio	Wide body (A350 · B787)	Narrow body Over 80%	Avg. age 4.1 years
Liquidity	S&P rating A- No.1 in industry	Undrawn commitment lines USD 4.5 bn	

Improve asset efficiency by focusing on profitability



*1 IATA / Tourism Economics *2 Profit before income taxes

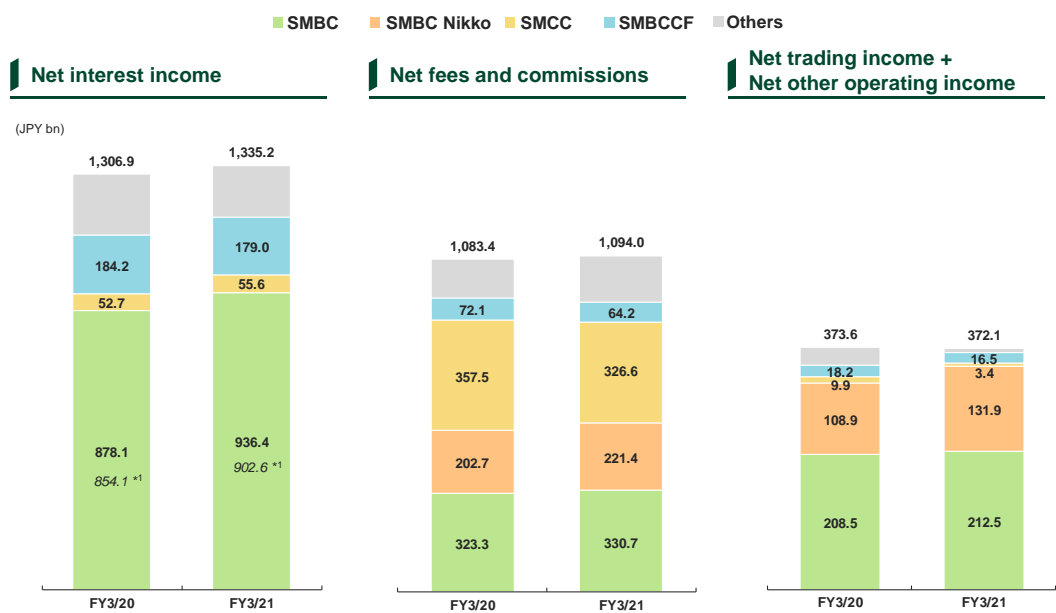
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SMBC Aviation Capital maintained positive net income in FY3/21, even under the tough business environment.

However, decline of global passenger demand bottomed in mid-2020 and the demand has been recovering. Especially, demand for domestic flights is expected to return to its pre-COVID level next year.

I expect that our aircraft leasing business will recover faster than our competitors because over 80% of our aircraft portfolio is narrow body type, which is mainly used for domestic flights.

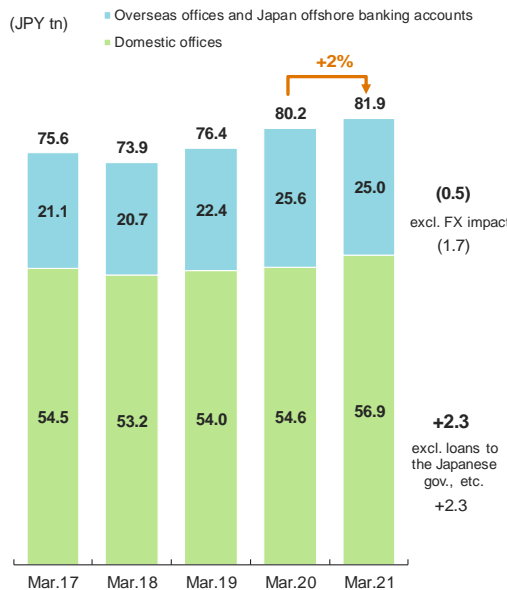
Consolidated gross profit



*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

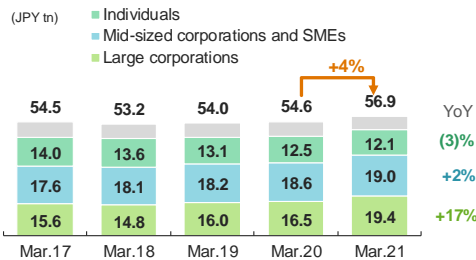
	Balance (JPY tn)		Spread (%)	
	FY3/21	YoY*4	FY3/21	YoY
Domestic loans	56.4	+4.0	0.70	(0.03)
Excluding loans to the Japanese government, etc.	53.7	+3.9	0.73	(0.04)
o/w Large corporations	19.3	+3.4	0.50	(0.03)
Mid-sized corporations & SMEs	18.8	+1.2	0.60	(0.03)
Individuals	12.3	(0.6)	1.42	(0.04)
GBU's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

*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.

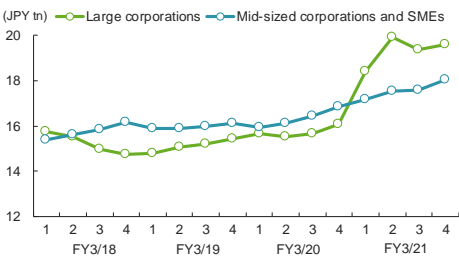
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Domestic loans and deposits*1

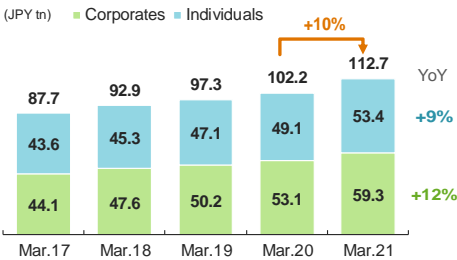
Loan balance*2



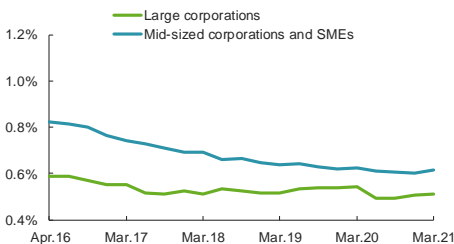
Loan average balance for corporates*2,3



Deposit balance



Loan spread for corporates*2,4

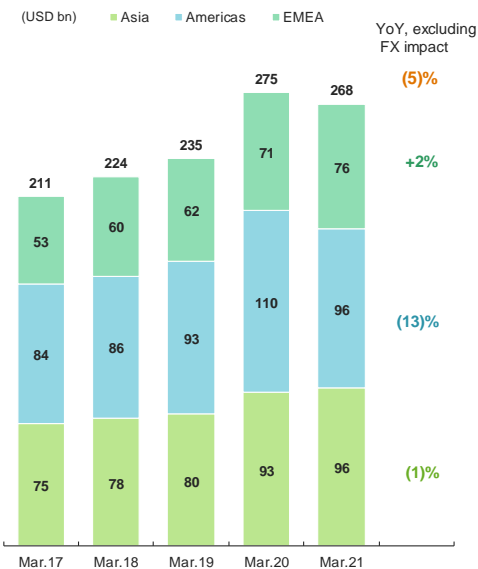


*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average, excluding loans to the Japanese government.
Figures for SMEs excludes the outstanding balance of Corporate banking division

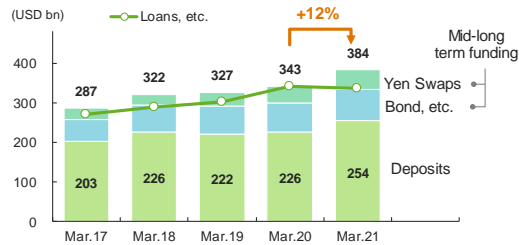
*4 Loan spread of existing loans, excluding loans to the Japanese government

Overseas loans and deposits*1

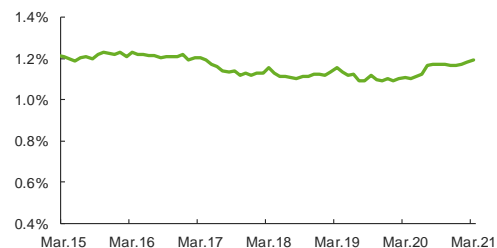
Loan balance



Foreign currency balance



Loan spread*2



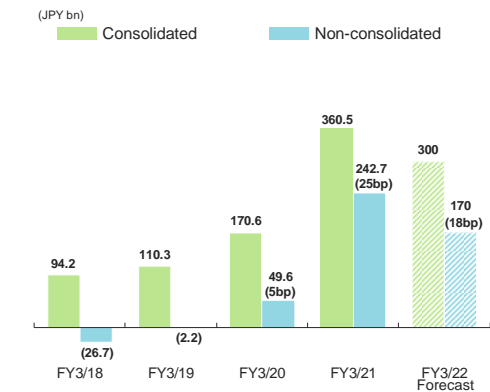
*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

*2 Monthly average loan spread of existing loans

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Asset quality

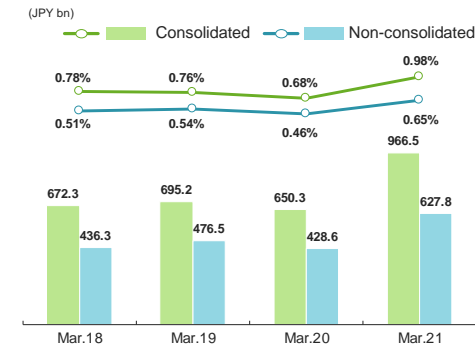
Credit costs^{*1}



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

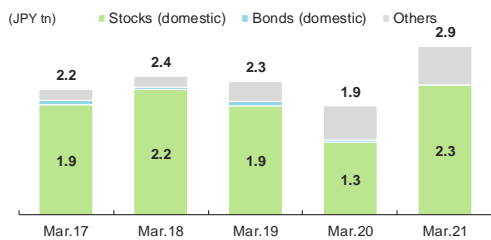
^{*2} NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

Securities (1)

Breakdown of other securities (consolidated)

	B/S amount		Unrealized gains (losses)	
	Mar.21	vs Mar.20	Mar.21	vs Mar.20
(JPY bn)				
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)

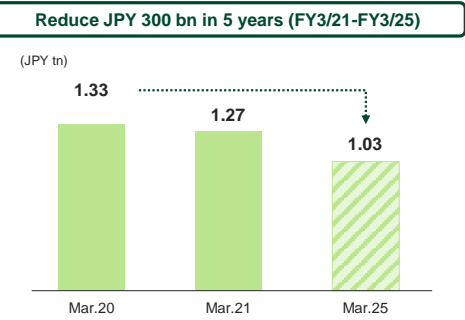
Unrealized gains



Strategic shareholdings

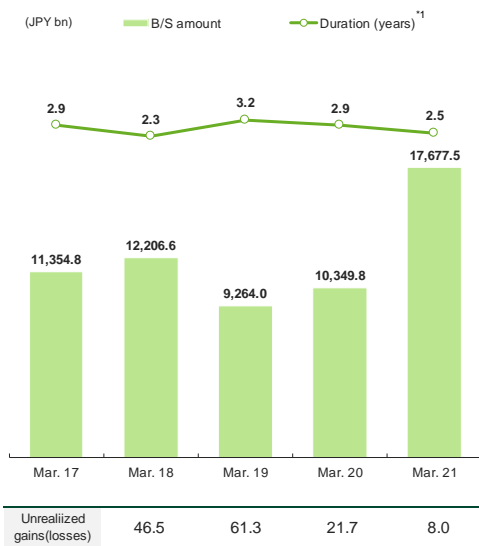
Progress as of Mar.21	Reduction	JPY 55 bn
	Consent of sales from clients outstanding	JPY 54 bn
		JPY 109 bn

Reduction plan

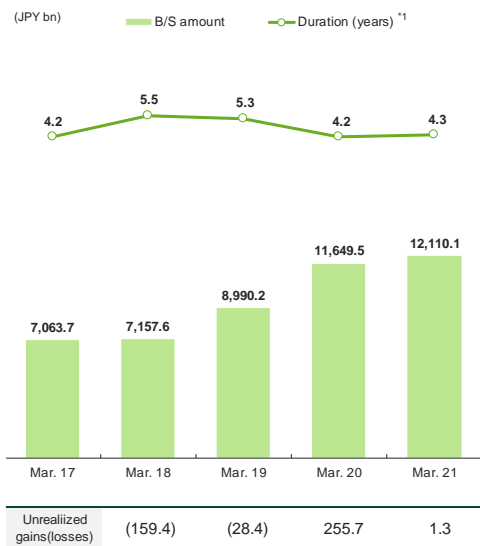


Securities (2)

Yen-denominated bonds (consolidated)



Foreign bonds (consolidated)



^{*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.

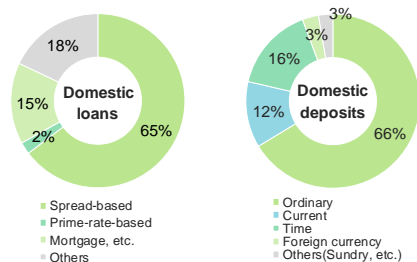
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Balance sheet

Consolidated

	(JPY bn)	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
o/w Mid-sized corporations & SMEs ^{*2}		19.0	+0.4
o/w 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
o/w JGBs		14.3	+7.2
o/w 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
o/w Individuals		53.4	+4.4
o/w 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 338	Deposits (incl. deposits from central banks) 254
Others 136	Mid-long term funding (incl. corporate bonds, currency swaps, etc.) 130
Foreign bonds, NCD 73	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}		(JPY bn)	Mar. 20	Mar. 21
Capital ratio			Total capital		11,552.0	12,289.3
Total capital ratio	18.61%	11.5%	Tier1 capital		10,249.9	11,199.3
CET1 ratio (Basel III fully-loaded basis)	16.00%	8%	o/w CET1 capital		9,581.3	10,562.8
excl. OCI	12.8%	-	Tier2 capital		1,302.1	1,090.0
CET1 ratio (Post-Basel III reforms)	11.5%	8%	External TLAC		18,162.0	19,373.3
excl. OCI	9.8%	-	Risk-weighted assets		61,599.1	66,008.0
External TLAC ratio			Leverage exposure		237,488.7^{*2}	198,170.8
RWA basis	25.82%	16%				
Leverage exposure basis	9.77%	6%				
Leverage ratio	5.65%	3%				
LCR (Average 4Q FY3/21)	140.1%	100%				

*1 Excluding countercyclical buffer
 *2 Including deposits with the Bank of Japan

Results by business unit (1)

	ROCE ¹			Net business profit (JPY bn)			RWA (JPY tn)		
	FY3/21	YoY ²	FY3/23 Target ³	FY3/21	YoY ²	FY3/23 Target ³	FY3/21	YoY ²	FY3/23 Target ³
Retail	9.4%	+1.6%	12%	219.2	(24.4)	305	12.3	+0.1	+0.4
Wholesale	5.6%	(4.6)%	9%	388.5	+21.5	405	33.4	+2.6	+1.1
Global	6.2%	(1.3)%	9%	366.7	+3.9	430	35.6	(0.1)	+2.5
Global Markets	20.4%	+0.2%	17%	413.5	+22.0	365	5.4	+0.3	+1.7

*1 Excluding impact from the provision for losses on interest repayments for Retail
 Excluding the impact from the medium- to long-term foreign currency funding costs for Wholesale and Global
 Including impact from the interest-rate risk associated to the banking account for Global Markets
 *2 After adjustments of the changes of interest rates and exchange rates
 *3 Managerial accounting basis of FY3/21

Results by business unit (2)

Retail

(JPY bn)	FY3/21	YoY ¹
Gross profit	1,127.4	(48.7)
Income on loans and deposits ^{*2}	122.9	(9.1)
Wealth management business	282.2	+20.1
Payment business	386.5	(36.0)
Consumer finance business	292.4	(15.7)
Expenses	910.4	(24.1)
Base expenses	736.8	(15.0)
Net business profit	219.2	(24.4)
ROCE ¹ ^{*3}	9.4%	+1.6%
RWA (JPY tn)	12.3	+0.1

Wholesale

(JPY bn)	FY3/21	YoY ¹
Gross profit	634.9	+14.8
Income on loans and deposits	211.1	+14.9
FX and money transfer fees	117.6	(6.2)
SMBC Loan syndication	49.6	+12.5
Structured finance	18.6	(7.6)
Real estate finance	9.7	(1.6)
Securities business	59.2	+4.6
Expenses	299.9	(3.7)
Base expenses	292.3	(4.4)
Net business profit	388.5	+21.5
ROCE ¹ ^{*4}	5.6%	(4.6)%
RWA (JPY tn)	33.4	+2.6

*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.

*4 Excluding med-long-term funding costs

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Results by business unit (3)

Global

(JPY bn)	FY3/21	YoY ¹
Gross profit	723.7	+42.9
Income on loans and deposits	300.4	+17.5
Loan related fees	123.4	+7.2
Securities business	82.1	+24.5
Expenses	383.3	+12.4
Base expenses	372.1	+6.5
Net business profit	366.7	+3.9
ROCE1 ²	6.2%	(1.3)%
RWA (JPY tn)	35.6	(0.1)

Global markets

(JPY bn)	FY3/21	YoY ¹
Gross profit	460.7	+22.1
SMBC's Treasury Unit	325.9	(2.3)
Expenses	82.9	+3.3
Base expenses	79.6	+1.9
Net business profit	413.5	+22.0
ROCE1 ³	20.4%	+0.2%
RWA (JPY tn)	5.4	+0.3

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

*2 Excluding impact from med-long term funding costs

*3 Including impact from the interest-rate risk associated to the banking account

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II . Transformation & Growth

I will now talk about the progress of the Medium-Term Management Plan and its key initiatives.

Roadmap to 2022 (1) Financial targets

Medium-Term Management Plan (FY3/21-FY3/23)

Core Policy

Transformation

Transform existing businesses

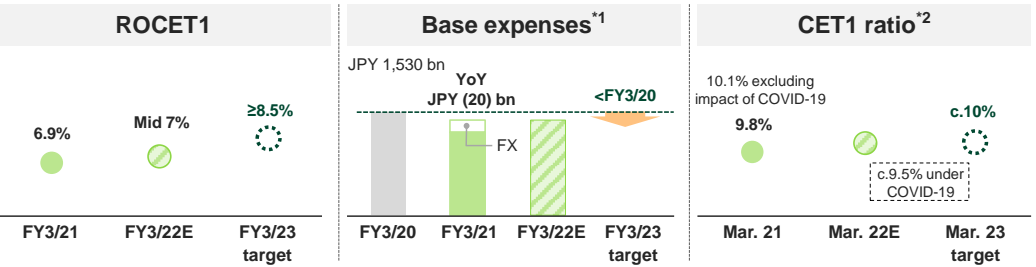
Growth

Seek new growth opportunities

Quality

Elevate quality in all aspects

Financial Targets



*1 G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others
*2 Post-Basel III reforms basis, excludes OCI

This slide shows our progress of the three financial targets.

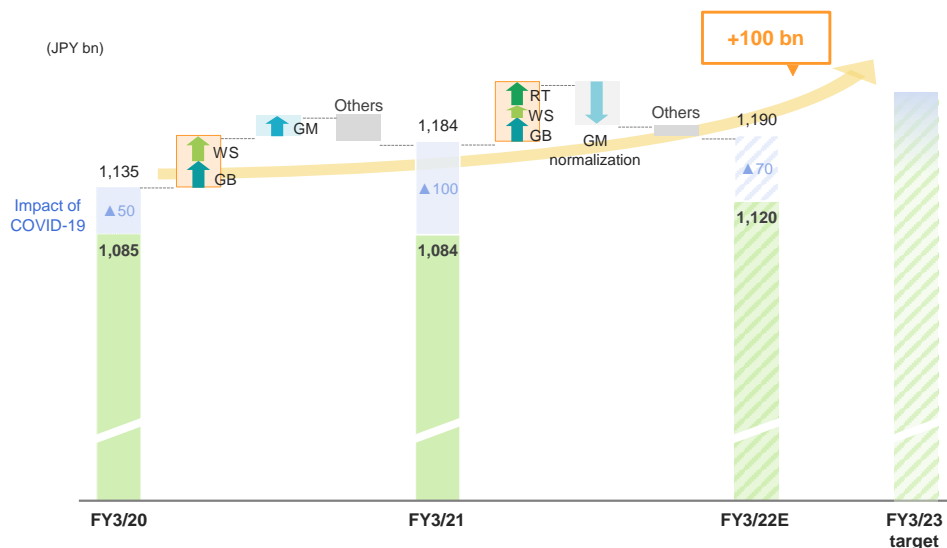
ROCET1 was lower than its target as our bottom-line profit declined.

On the other hand, base expenses decreased by JPY 20 billion, because operating cost was reduced due to COVID-19 and by executing cost control initiatives.

CET1 ratio was 9.8%, which is within our target range.

Roadmap to 2022 (2) Consolidated net business profit

The consolidated net business profit target of JPY +100 bn over the three years remains unchanged. Show a steady progress in FY3/22 by increasing revenue of RT, WS, and GB Business Units.



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We showed you “Roadmap for 2022” when we launched our Medium-Term Management Plan.

At that time, I said negative impact of COVID-19 would disappear by FY3/23. But now I think that some negative impact would remain in certain areas including the consumer finance business.

However, our target of net business profit +JPY 100 billion over the three years remains unchanged.

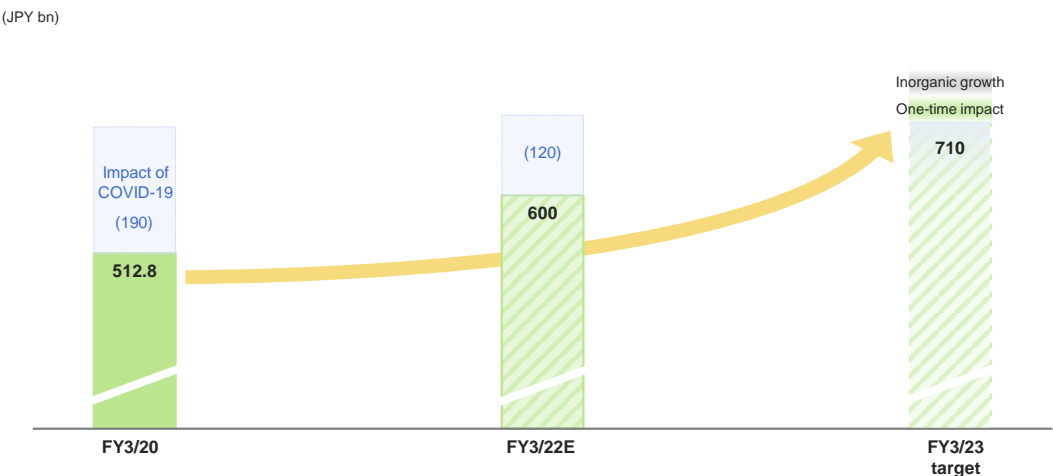
We will offset the negative impact of COVID-19 by accelerating initiatives of the Medium-Term Management Plan and strengthening cost control initiatives.

For that, we must show steady progress in FY3/22 in order to achieve this goal. Profit of the Global Market business unit is expected to be lower YoY because interest rates are rising especially in the U.S.

We will offset this negative impact and increase our profit by enhancing businesses of the retail, wholesale, and global business units.

Roadmap to 2022 (3) Bottom-line profit

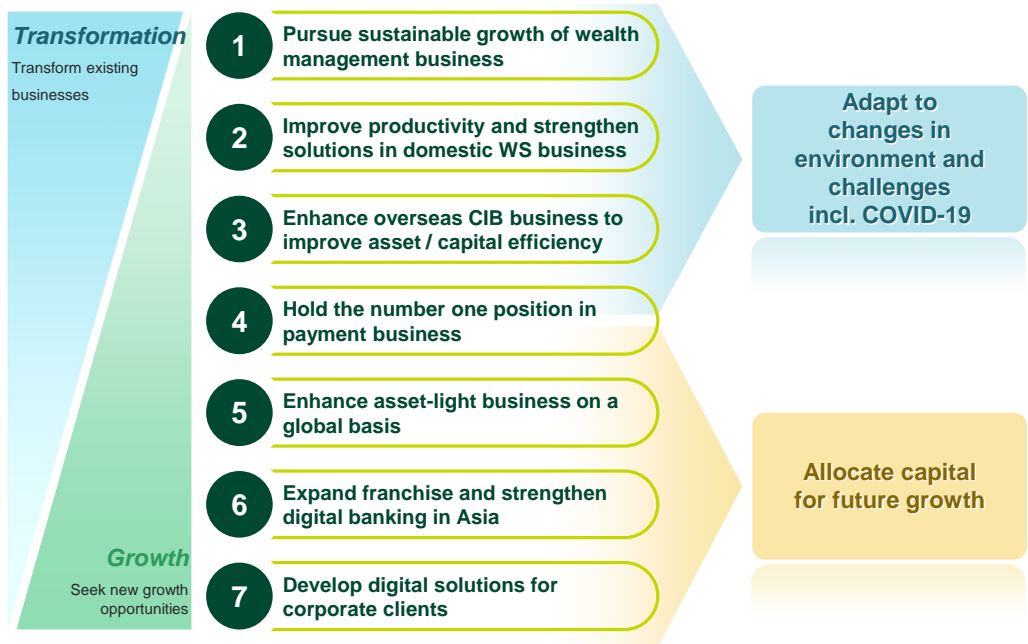
The target of bottom-line profit for FY3/23 remains at over 700 bn on a core earnings basis.
Aim 800 bn in the future through inorganic strategy, etc.



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The target of bottom-line profit for FY3/23 also remains unchanged at over JPY 700 billion on a core earnings basis.

Seven key strategies



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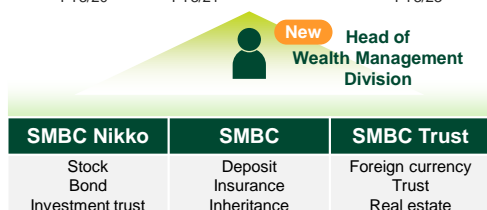
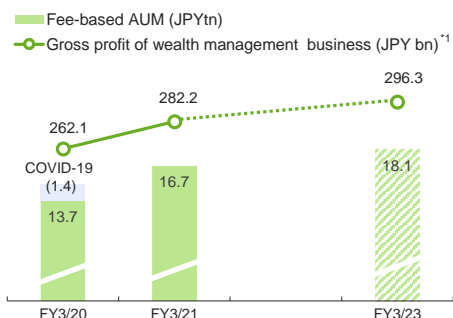
In the Medium-Term Management Plan, we presented seven key business strategies and cost control initiatives.

In some areas, challenges that we face or initiatives that we should accelerate have become clear due to the changing environment including COVID-19. On top of that, we are flexibly allocating capital for future growth.

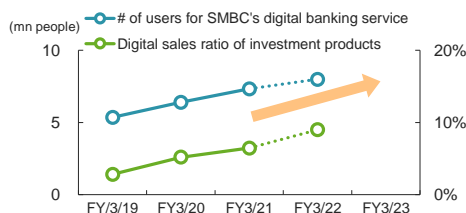
1 Pursue sustainable growth of wealth management business

Accelerate the shift to a sustainable business model by leveraging SMBC group's strength and utilizing digital channels.

Steady growth of wealth management business



Utilize digital channels



Upgrade SMBC app



^{*1} Reflecting the change in the management accounting system in FY3/21

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29

We have been pursuing sustainable growth in the wealth management business by focusing on increasing fee-based AUM. Through these efforts, you can see that we have been able to increase both AUM and profits.

We have newly appointed Head of Wealth Management Division in April who is in charge of strengthening these efforts by leveraging SMBC group's strength.

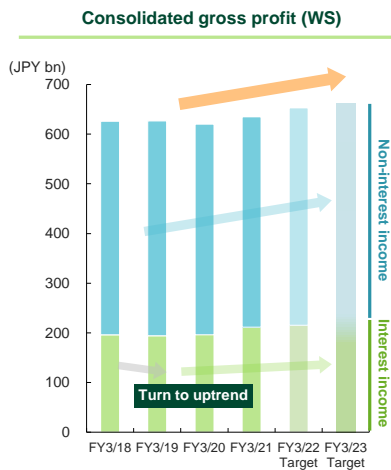
COVID-19 has been accelerating the use of digital channels and this is a great opportunity for us. On top of that, young people are getting more interested in investment because they spend more time at home and the stock market performed well. Taking advantage of this opportunity, we will upgrade our smartphone app to accelerate sales of investment products via digital channels.

I believe these measures will also have an effect on lowering the break-even point of the retail business.

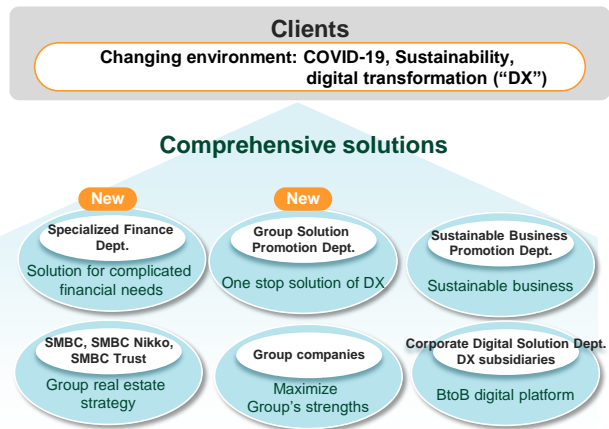
- 2 Improve productivity and strengthen solutions in the domestic wholesale business
- 7 Develop digital solutions for corporate clients

Interest income bottomed out in FY3/20 and has been increasing since then.
 Strengthen fee businesses by diversifying solutions for clients in response to the changing environment.

Trend of profit structure



Provide comprehensive solutions



Loan income of the domestic wholesale business finally bottomed out in FY3/20, after suffering from declining of spreads for long time. This positive trend is continuing as we increase loans to support clients suffering from COVID-19.

This means the increase of fee income will directly lead to profit growth in the domestic wholesale businesses.

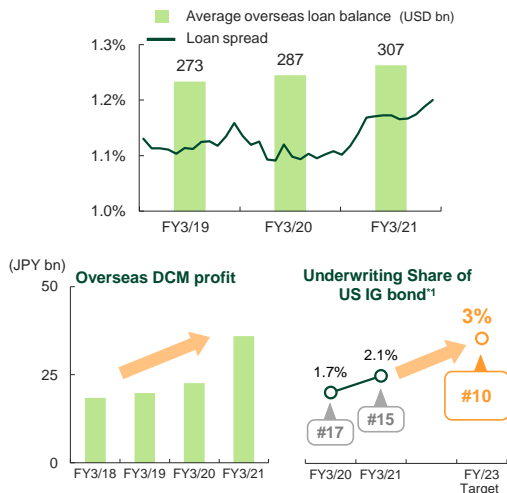
Needs from clients have been diversifying and getting more complicated with the recent changes in environment including COVID-19, DX, and sustainability. We have established some new departments to provide more sophisticated solutions in response to the changes of clients' needs.

We will accelerate the growth of the wholesale business being a total solution provider.

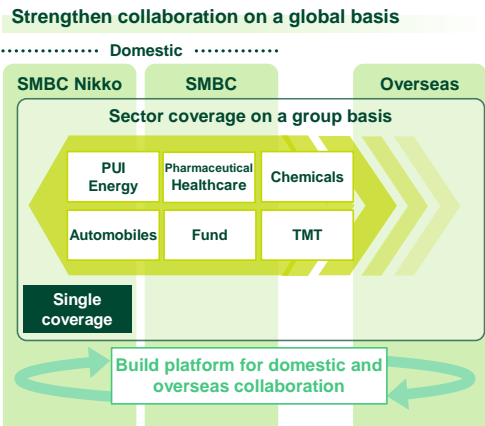
3 Enhance overseas CIB business to improve asset / capital efficiency

Further enhance overseas CIB business by strengthening the securities business.

Strengthen securities business through lending



Further enhance CIB business



Enhance businesses with large global corporates

^{*1} REFINITIV (April 2020 - March 2021) ^{*2} Global IB Coordination

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31

Overseas CIB-businesses, particularly the securities business, benefited the most under COVID-19.

We have not only increased lending, but also were able to increase DCM transactions from our banking clients last year.

However, I have to confess that we were not able to take advantage of the favorable market conditions as our competitors did.

Strengthening our overseas securities business has been one of our top priorities in the Medium-Term Management Plan. However, as the market boomed before we were able to achieve this, the gap with our competitors became larger.

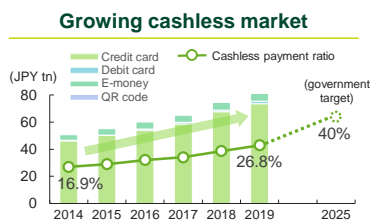
I believe that our overseas CIB business has a great potential for growth, given the size of our balance sheet.

We have established a single coverage system in SMBC Nikko and a group-wide and a global basis sector coverage system in order to grasp clients' needs deeply and widely.

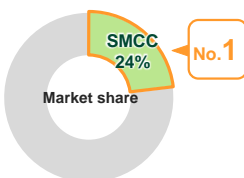
We will provide advanced solutions including global M&A being "One SMBC Group".

4 Hold the number one position in payment business

Lead the market growth with our payment platform “stera”

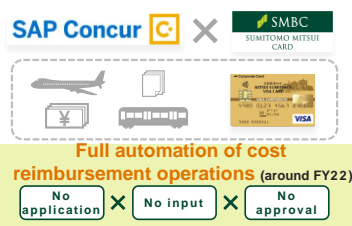


Strengths in acquiring



Alliances with external partners

Payment service for corporates



Co-Brand strategy



New

Head of Payments & Consumer Finance Division

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32

Payment business is another growing area under COVID-19.

As credit cards continue to lead the growth of the cashless payment market, I believe we can continue to lead the market as being the No.1 acquirer in Japan.

Our payment platform “stera” is the key. We will further solidify our No.1 position by providing various services based on the stera network.

Another area where we want to enhance is collaboration with external partners. Now we are working together with Concur, the top player in the expense reimbursement market. I am confident that this alliance will grow the corporate payment business as a new revenue source for us.

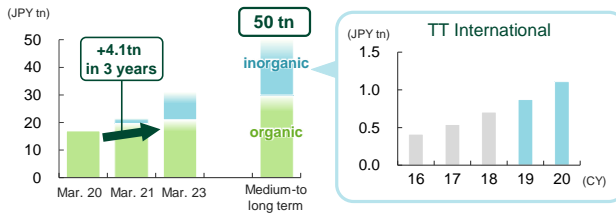
In order to accelerate our payment business on a group-wide basis and capture the growth of the market, we have newly established the Payments and Consumer Finance Division and appointed a head of the division.

5 Enhance asset-light business on a global basis

Asset management^{*1}

	US	Europe	Asia	Japan
Stocks		TT International 100%	China Post & Capital Fund Management	SMDAM
Bonds	ESG AIM 17.5%		23.7%	50.1%
Alternative		ARES Management 6.1% ARA Asset Management 10%		Alternative Investment Capital 60% Kenedix ^{*2} 70%

Balance of AUM



^{*1} Boxes with shades are invested after 2020. Percentages are shareholding ratio of SMBC Group
^{*2} Sub-sub-sidiary of SMFL ^{*3} FIST: Fixed Income Sales & Trading

Sales & Trading

Establish global S&T platform

- 1 FIST^{*3} platform in US**
 - Establish global Rates platform
- 2 Business base in Asia**
 - Strengthen local currency and FIST/DCM consolidated operation
- 3 Structured credit solutions**
 - Strengthen product supply and sales capabilities

Allocate management resources

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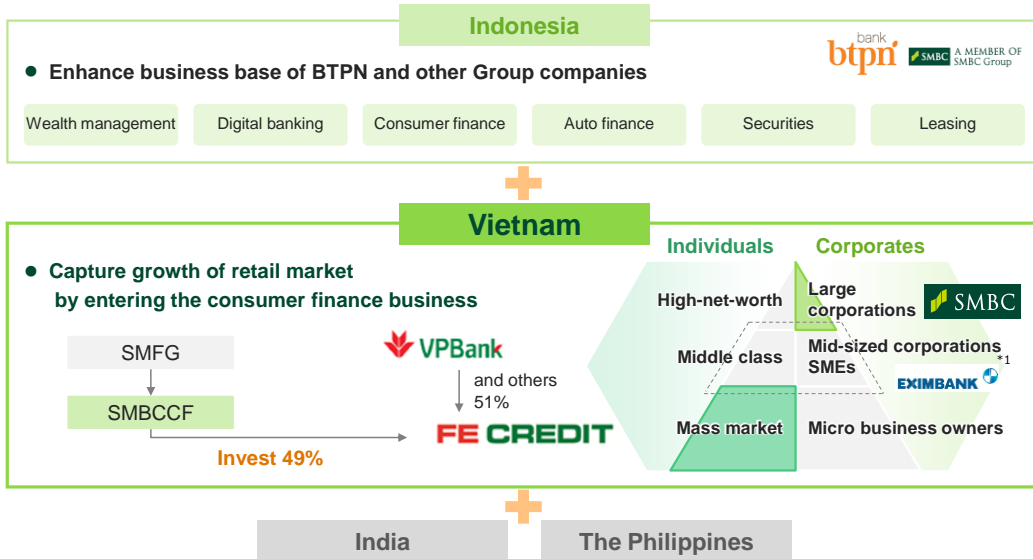
33

In the asset management business, we are aiming for AuM of JPY 50 trillion in the mid- to long-term by expanding products and regions both organically and inorganically.

The difference between competitors and us became clearer in the Sales & Trading business. We are trying to catch up as soon as possible by allocating management resources and establishing a global basis platform.

6 Expand franchise and strengthen digital banking in Asia

Execute Multi-Franchise Strategy focusing on: 1)Full-line banking, 2)Localization, and 3)Commitment. Consider entering into non-banking businesses in countries with strict foreign ownership restrictions.



*1 SMBC invests 15.07% in Vietnam Export Import Commercial Joint Stock Bank

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34

In Asia, we are executing “Multi-Franchise Strategy,” which is to focus on “full-line banking”, “localization” and “commitment”. Our first target was Indonesia, where we have been strengthening our business platform with BTPN.

We presented in the Medium-Term Management Plan that we would try to expand our franchises to other countries in Asia. As a first step, last month we decided to invest 49% in FE Credit, the largest consumer finance company in Vietnam.

I have been saying that a commercial banking business in Asia is one of our M&A targets to invest for the future. Therefore, you may have thought “why non bank?”.

This is because Vietnam has strict foreign ownership restrictions in the local banking industry. After considering flexibly how to enter the market, we decided to start from the consumer finance business which is growing rapidly.

As shown by the triangle on the right, we have approached large corporate clients by SMBC local branch and mid-size corporations and SMEs through Eximbank in which SMBC has 15% stake. By adding FE Credit, which covers the high growing mass market, I believe that we have moved one step closer to operating full-banking service in the country.

6 Expand franchise and strengthen digital banking in Asia

Investment in FE Credit

Rare opportunity to invest in a leading player of Vietnam's consumer finance market.
Expect to reach our investment criteria in the 2nd year with strong profit growth.

Overview of investment		Strengths of FE Credit	
Overview	<ul style="list-style-type: none"> SMBCCF will acquire a 49.0% equity stake in FE Credit from VP Bank 	Brand	Approx. 50% market share and high brand awareness throughout Vietnam
Investment amount	<ul style="list-style-type: none"> Maximum JPY 150 bn Including payment based on performance 	Management	Achieved top market share in a short-term
Financial impact	<ul style="list-style-type: none"> Return on investment: Expect to reach our criteria^{*1} in the 2nd year Profit contribution: +JPY 10bn in the 3rd year^{*2} Impact on CET1 ratio: (10)bps RWA: +JPY 70 bn 	Business	Advanced initiatives in digital business Ecosystem built with partners
Strategy	<ul style="list-style-type: none"> Consistent with Multi-Franchise Strategy in Asia Capture growth of Vietnam's consumer finance market Expand our business platform by utilizing the know-how and experience of SMBCCF 	Finance	High profitability: ROE of 20% Efficient operations: OHR of 30%

*1 ROCET1 \geq 8.5% *2 Excluding amortization of goodwill

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35

FE Credit is the leading player with an extensive retail customer base and 50% of market share in Vietnam.

The company has a great potential for growth both in asset and profit, and is making advanced initiatives in DX and data management. We decided to invest because it could be a good partner that we could learn and enhance each other.

The impact on CET1 ratio from this investment is (10) bp, which is limited.

We will pursue synergies with FE Credit to further enhance our corporate value and will also consider expanding into neighboring countries for further growth.

6 Expand franchise and strengthen digital banking in Asia (Ref.) Overview of FE Credit

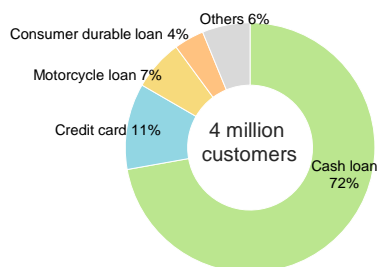
Company Information

Corporate Name	VPBank Finance Company Limited
Trade Name	FE Credit
Established	2015
Chairman	Mr. Lo Bang Giang
Employees	Over 13,000
Network	Over 20,000 point of sales in Vietnam

Key Financial Information ^{*1}

(JPY bn)	FY2018	FY2019	FY2020
Total operating income	74.4	86.6	83.9
Net profit	15.2	16.5	13.7
Total assets	276.8	325.0	337.6
Total equity	54.0	57.6	71.3
Total loans	245.0	278.7	300.5
NPL ratio	6.4%	6.2%	6.6%
ROE	28.2%	29.6%	21.2%

Loan Portfolio



Overview of VP Bank (Shareholder)

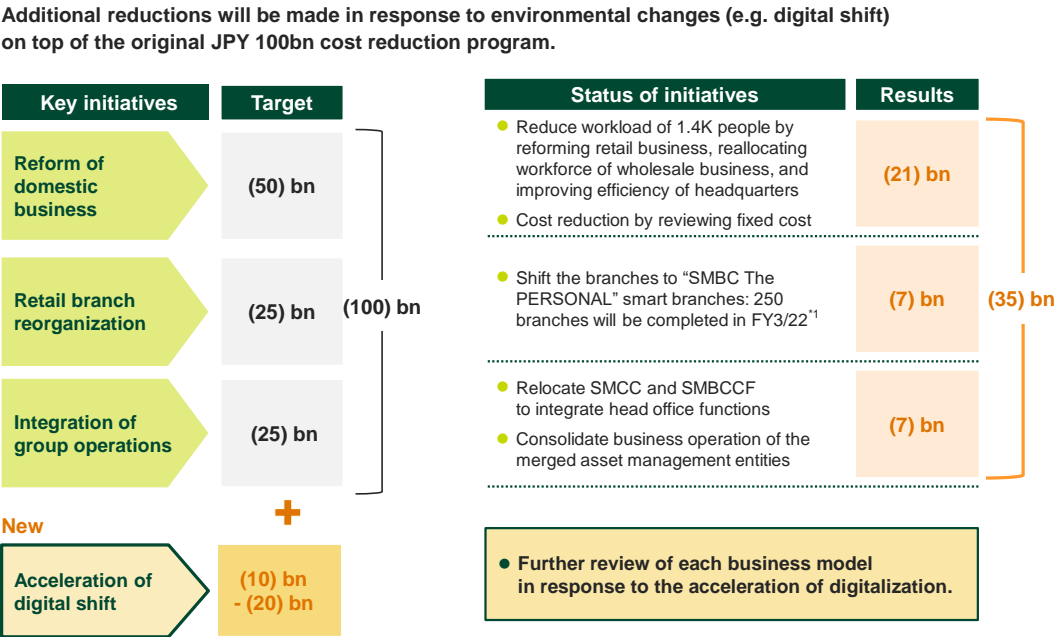
Corporate Name	Vietnam Prosperity Joint Stock Commercial Bank
Established	1993
Chairman	Mr. Ngo Chi Dung
Listing	Ho Chi Min Stock Exchange (ticker: VPB)
Rating	B1 / positive (Moody's)
Total assets	JPY1,656.3 bn

*1 exchanged at 1VND=JPY 0.0046

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36

Cost control



^{*1} Planning to minimize approx. 50 branches additionally

We are enhancing our cost reduction efforts by increasing our initial target of JPY 100 billion, which we announced last May, by adding another JPY 10-20 billion.

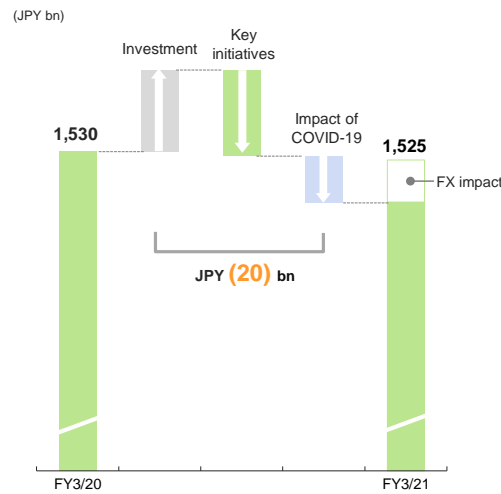
This target is not easy to achieve, but looking back at FY3/21, although some of our initiatives was delayed by COVID-19, there have also been changes which can be a tailwind caused by COVID-19, including acceleration of digital shift and unexpected lower expenses.

We will make every effort to achieve the raised target of cost reduction by taking the advantage of the environmental changes.

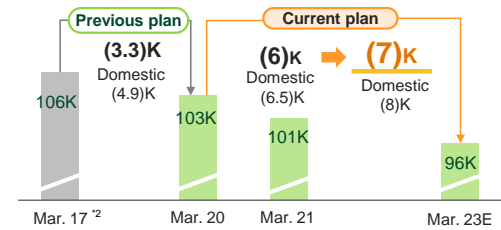
(Ref.) Base expenses and headcount

Base expenses decreased by JPY 20 bn YoY excluding FX change impact.
Headcount is expected to decrease more than the target of the Medium-Term Management.

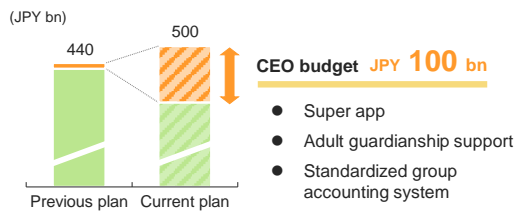
Base expenses^{*1}



Headcount



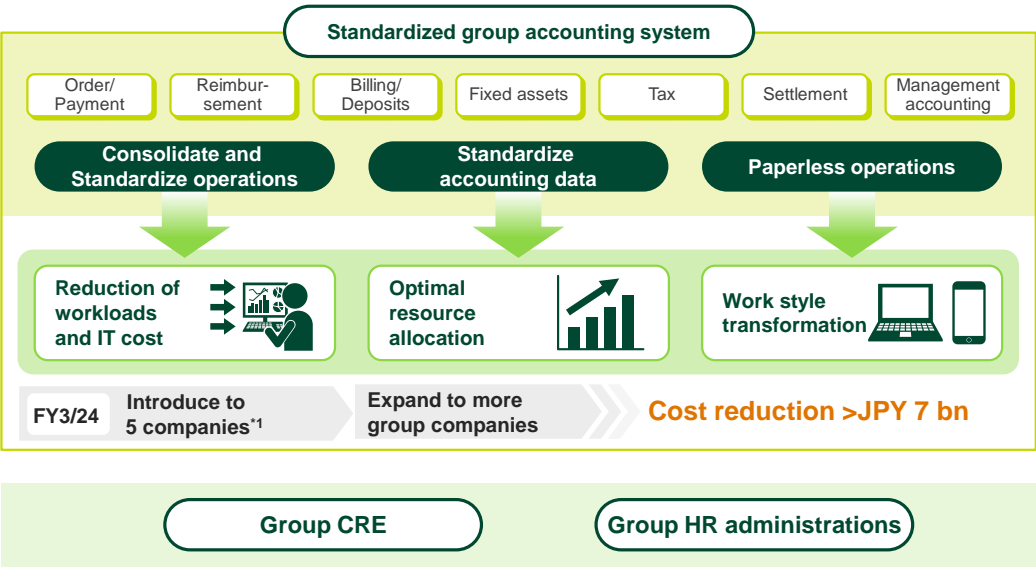
IT investment



^{*1} G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others
^{*2} Added the impact of group reorganization retrospectively

(Ref.) Standardized Group Accounting System

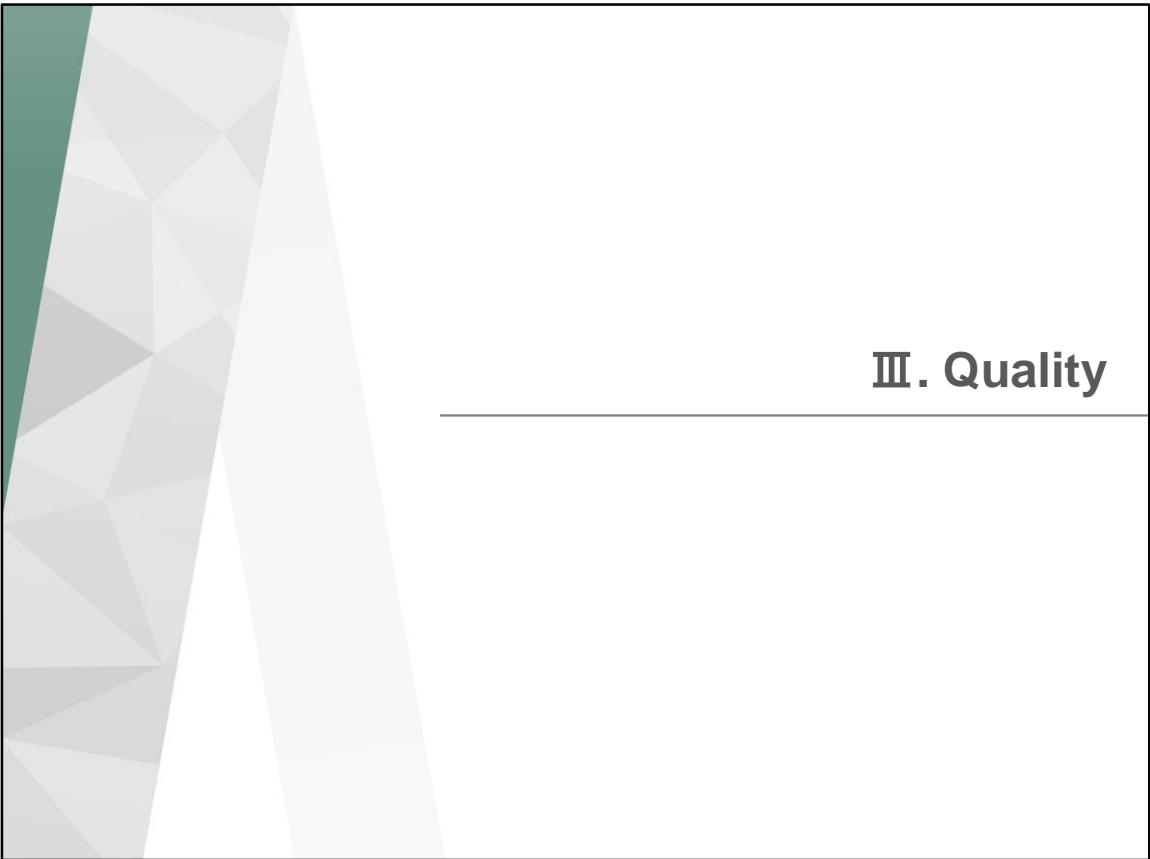
Pursue operational efficiency and cost reduction by introducing standardized group accounting system.



*1 SMFG, SMBC, SMBC Nikko, SMBC Trust, SMBC Finance Service

The development of next generation core banking system was announced last November. To further improve group-wide management, we are currently developing a standardized group accounting system.

The aim is to optimize business operations and reduce cost by consolidating and standardizing the accounting operation of each group company. In the future, we intend to apply this system for CRE management and personnel management as well.

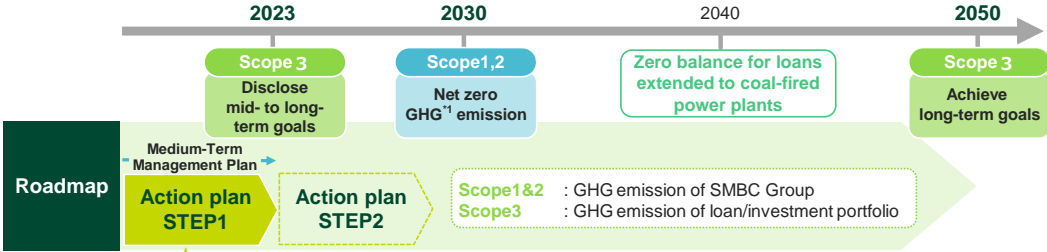


III. Quality

In this section, I will explain Quality, Core Policies of our management foundation.

Accelerate efforts against climate change

Established “Roadmap Addressing Climate Change” and revised the policy regarding coal-fired power generation.



Measures		Initiatives
1) Strategy	Establish mid- to long-term target for Scope3 emissions	Assess the GHG emissions generated by its loan/investment portfolio and set mid-/long-term targets
2) Strategy	Accelerate initiatives to reduce Scope1&2 emissions	Achieve net zero at SMBC Group operations by 2030
3) Strategy	Enhance businesses addressing climate change and decarbonization	Execute JPY 30 tn of sustainable finance by 2030
4) Governance	Enhance governance/business management framework	Appoint Group CSuO (Chief Sustainability Officer)
5) Risk management	Enhance risk management framework	Enhance climate change scenario analyses
Metrics and targets	Setting and managing KPI and targets	—

Policy regarding coal-fired power generation

Revision Support for newly planned coal-fired power plants and the expansion of existing plants are **NOT** provided

*1 Greenhouse Gas

This slide shows our efforts toward climate change.

Requirement for G-SIFIs including us has been changing dramatically, as activities for climate change accelerate world wide. The Japanese Government also declared to become carbon neutral by 2050 last October.

SMBC Group established and announced “Roadmap Addressing Climate Change”, a long-term action plan to contribute to a carbon neutral society by 2050, as well as detailed short- and medium-term initiatives (the “Action Plan STEP 1”), which are to be executed during the Medium-Term Management Plan.

SMBC Group will achieve net zero greenhouse gas emission at group operations (“Scope 1, 2”) by 2030.

On top of that, we will assess the greenhouse gas emissions generated by our loan / investment portfolio (“Scope3”) and set mid- to long-term target that is to be achieved by 2050.

In addition to our original commitment to net zero loan balance to coal-fired power plants, our credit policy was also revised; SMBC Group will NOT provide support for newly planned coal-fired power plants and expansion of existing plants.

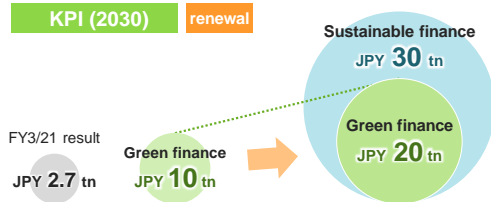
Promote sustainable businesses

Sustainable finance

Green Finance

KPI (2030)

renewal



Global league table
(green loan
underwriting amount)*1

	Lender	Mkt share
1	Credit Agricole	10.0%
2	SMBC	7.8%
3	BNP Paribas	7.4%

Green deposit*2

First in Japan



*1 Source: Dealogic (FY3/21) *2 Allocate the deposits to finance "green eligible projects" such as renewable energy, and have a third party evaluate the operational status on a regular basis

GREEN x GLOBE Partners (established Jul. 20)

	# of partner companies	# of people participated in events
Sep. 20	47	25
Apr. 21	↑109	↑708



Develop new technology

Japan Hydrogen Association

- Led the establishment and became one of the board members
- Made a policy proposal to METI on realizing a hydrogen society in Mar. 21



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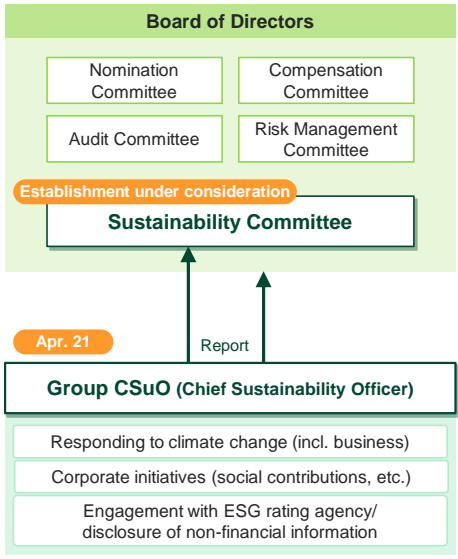
42

In order to further promote sustainable business, we have increased our 2030 target of green finance from JPY 10 trillion to JPY 20 trillion, and a total of JPY 30 trillion in sustainable finance all together, including social bonds, etc.

We made a good start in FY3/21, with JPY 2.7 trillion of green finance and being second place in the global league table of green loan.

Governance

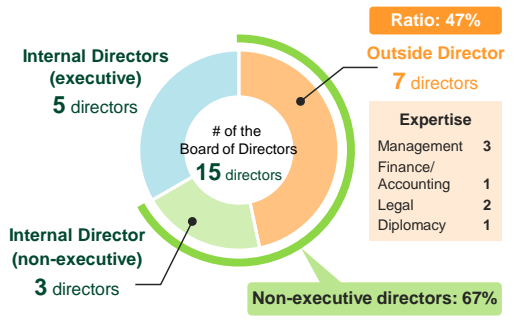
Enhance sustainability management



Improve the diversity of the Board

2 women **1 foreign national**




















Joined 30% Club Japan in Apr. 21



Group CSuO, Chief Sustainability Officer was newly appointed this April in order to ensure sustainability management within SMBC Group.

We are also considering to establish a Sustainability Committee within the Board of Directors to focus more on our challenges and strategies for realizing a sustainable society.

(Ref.) Skills matrix of outside directors

		Year of appointment	Committee membership (○:Chairman)				Knowledge and experience we expect in particular				
			Nomination	Audit	Compensation	Risk	Management	Finance	Global	Legal	Accounting
Masayuki Matsumoto		2017	○	◎							
Arthur M. Mitchell		2015	○		○						
Shozo Yamazaki		2017		○		◎					
Masaharu Kohno		2015	○			○					
Yoshinobu Tsutsui		2017	◎		○						
Katsuyoshi Shinbo		2017		○	◎						
Eiko Sakurai		2015	○		○						

Engagement with stakeholders

KPIs

	KPI	Target	FY3/21 results
Environment	Green finance	JPY 20 tn by 2030	JPY 2.7 tn
	Green bond issuance	at least once a year	once
Community	Retail deposits in Asia	x3 by Mar. 23	x2
Next Generation	Finance education	1.5 mn people by 2030	0.13 mn
Human Resources	Female managers	20 % By Mar. 26	15.8 %
	Childcare leave	100 %	100 %

Enhance corporate value through engagement



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45

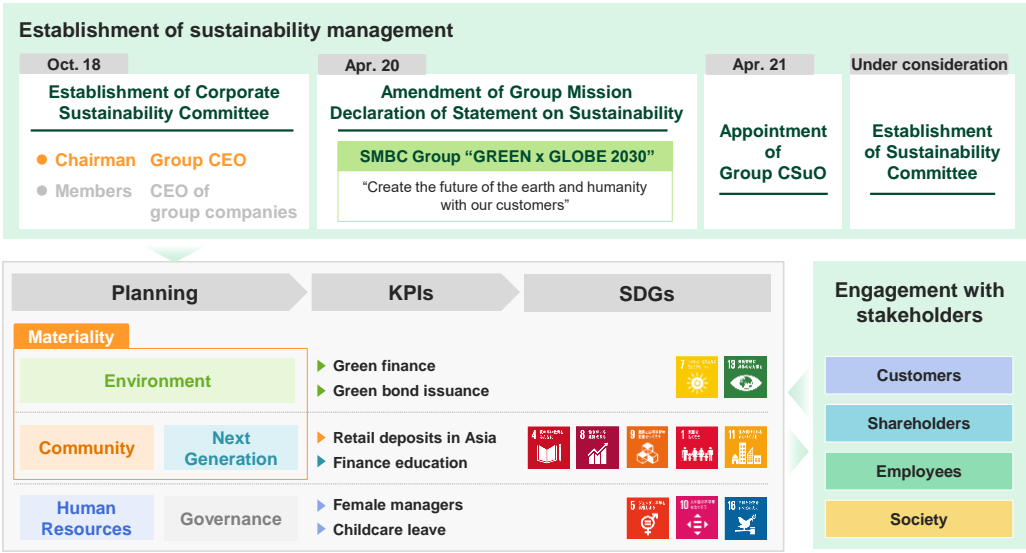
This slide shows our engagement with our stakeholders.

Non-financial elements are as important as financial elements in order to achieve sustainable growth and increase shareholders' value.

We will aim to reduce our capital cost to enhance our corporate value in a sustainable manner by actively disclosing non-financial information and engaging with our stakeholders.

(Ref.) Accelerate sustainability management

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



(Ref.) ESG indices and initiatives

Selected ESG indices

GPIF selected



2020 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2020 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



Endorsed initiatives

WE SUPPORT



PRINCIPLES FOR
RESPONSIBLE
BANKING

We
Support



Signatory of:



(Ref.) External awards



2020 Award for Excellence
in Corporate Disclosure
— Industries —
SAAJ The Securities Analysts
Association of Japan



2020 Award for Excellence
in Corporate Disclosure
— Disclosure to Individual Investors —
SAAJ The Securities Analysts
Association of Japan



(SMBC)



(SMBC Nikko)



2020
健康経営優良法人
Health and productivity

NIKKEI
Smart Work
★★★★ 2021



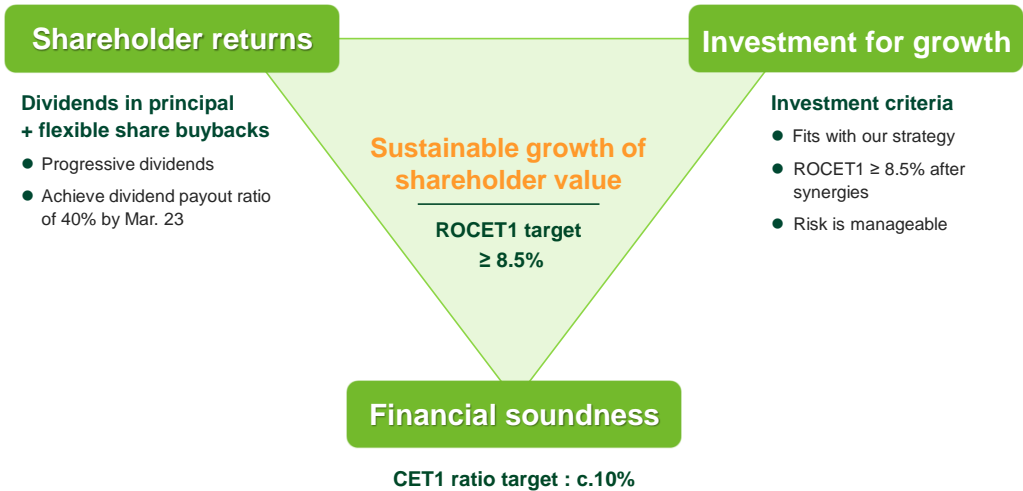


IV. Capital Policy

Next, I will talk about Capital Policy.

Basic Capital Policy

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

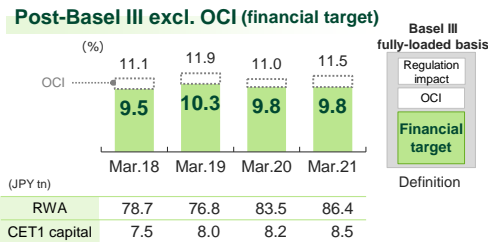


Our Basic Capital Policy remains unchanged; we will achieve a healthy balance among securing financial soundness, enhancing shareholder returns, and investing for growth.

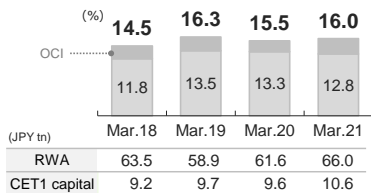
Capital position

Maintain a sufficient level of capital while supporting customers impacted by COVID-19.

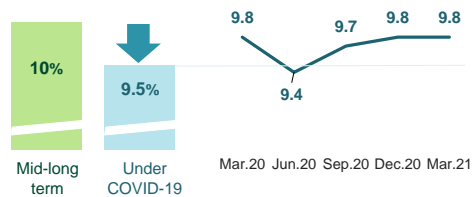
CET1 ratio



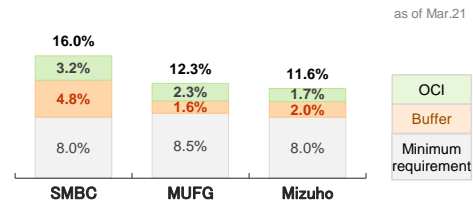
Basel III fully-loaded basis



Capital Management under COVID-19



Peer comparison (Basel III fully-loaded basis)



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This slide shows our capital position.

We are now managing our CET1 ratio at $\pm 0.5\%$ centered on 9.5%, 0.5% lower than our original target, in order to support our customers during the COVID-19 pandemic.

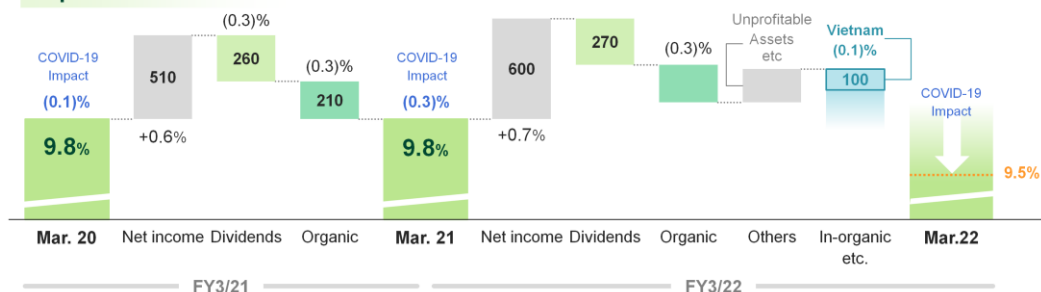
CET1 ratio was 9.8% at the end of March 2021, which was within the higher range of this target, because the volume of COVID-19 related loans was lower than the initial assumption at the beginning of the fiscal year as loans got repaid with the recovery of the bond market.

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.

	FY3/20	FY3/21	YoY	FY3/22 target	YoY
DPS	190	190	±0	200	+10
Dividend payout ratio	37%	51%	+14%	46%	(5)%
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

Capital allocation



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52

This page shows the shareholders returns we announced recently.

For dividends, we maintained our DPS for FY3/21 at JPY190 as we forecasted last May, despite a decline of net income.

The dividend payout ratio of FY3/21 was 51%, but we do not regard that we achieved the target payout ratio of 40% by this. Our goal is achieving 40% with net income of over JPY 700 billion, which was presented in the Medium-Term Management Plan.

For FY3/22, we will increase DPS by JPY 10 to JPY 200 in order to show a steady progress toward our target, because we believe that our net income target is likely to be achieved by accelerating our key initiatives and cost control measures as explained.

Meanwhile, we decided not to announce share buybacks at this time.

This is because an uncertain environment caused by COVID-19 continues. In Japan, vaccination has not progressed sufficiently, and the state of emergency was recently re-extended due to continuous spread of new variants.

Even in the U.S. and Europe, where vaccination is much more progressed, banks' restrictions on shareholder returns have not been completely lifted and their capital management can be normalized after July only if the results of stress tests are acceptable.

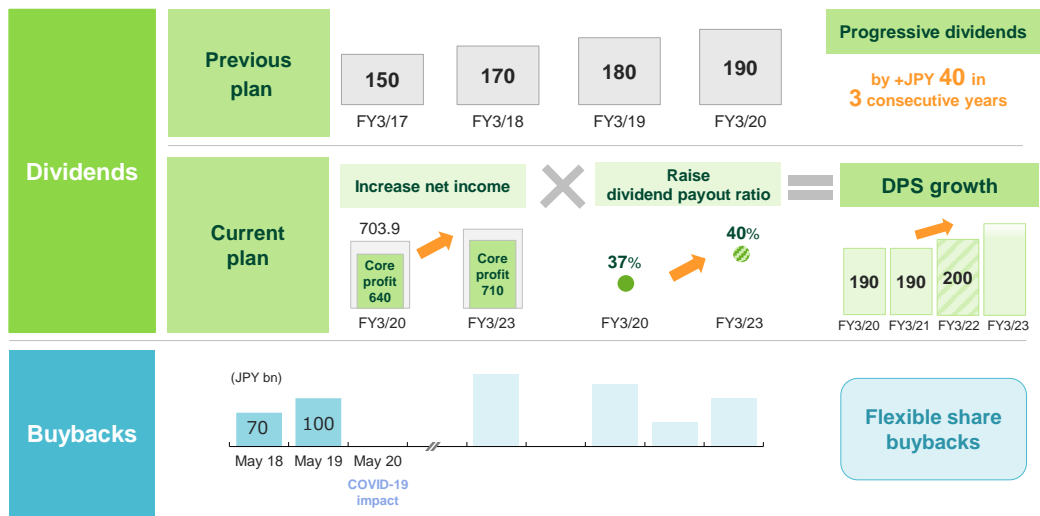
I believe that we should be careful when considering share buybacks for a while.

Of course, our financial soundness is one of our strengths, and I am fully aware that our investors have high expectation for us doing share buybacks, especially when our stock price remains at a low level.

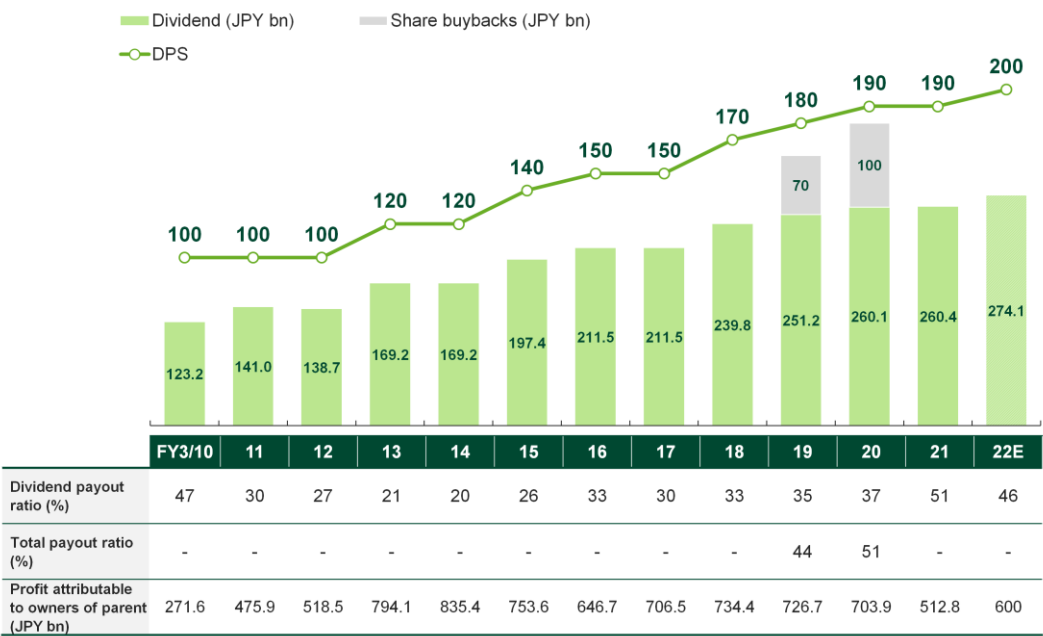
We will flexibly pursue the opportunity for share buybacks during this year, taking into consideration the impact of COVID-19 and actions of our peers in the U.S. and Europe.

(Ref.) Enhancing shareholder returns

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



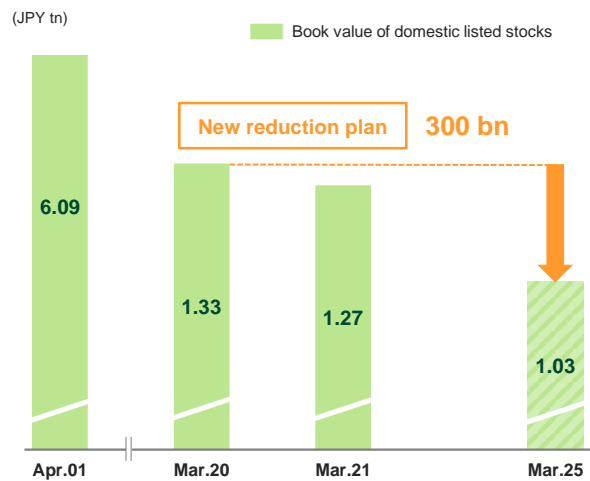
(Ref.) Shareholder returns



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Strategic shareholdings

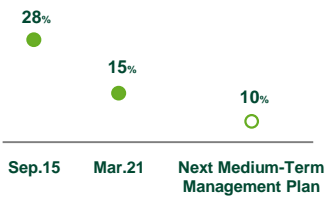
Plan to reduce JPY 300 bn in 5 years by March 2025. Reduced JPY 55 bn in FY3/21.



Reduction

Previous reduction plan (Sep.15 - Sep. 20)	JPY 510 bn
New reduction plan (Mar.20 -)	
Reduction	JPY 55 bn
Consent of sales	JPY 54 bn
Total	JPY 109 bn

Ratio of stocks to CET1^{*1}



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

Last May, we announced our reduction plan of JPY 300 billion over five years from Apr. 20.

We were able to reduce JPY 55 billion in FY3/21, which was in line with our plan.



V. Break the mold

Finally, I would like to talk about my effort to create new businesses opportunities.

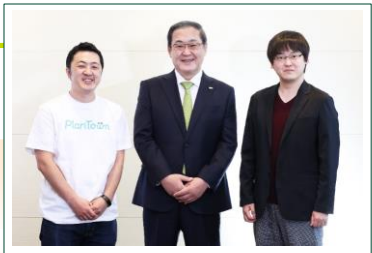
Producing new CEOs

Actively support in-house business ventures and develop new growth areas for SMBC Group.

Digital platform for corporates

PlariTown

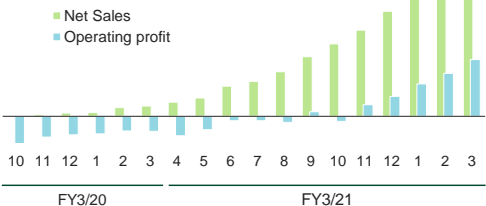
Dec. 20 Launch of service



Electronic contract service

SMBC
SMBC CLOUDSIGN

FY3/21 Full year surplus



GMO DATA NCORE Polarify

SMBC VALUE CREATION
CO., LTD.

LAND
DATA
BANK

SMBCGMO PAYMENT

brees

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Nine companies have been established with my “producing new CEOs” initiative.

SMBC CLOUDSIGN, one of the nine companies, was able to achieve full year surplus after only 1.5 years from its establishment.

There are three objectives in this “producing new CEOs” initiative.

First, to create new businesses that contribute to our future growth.

Second, to enhance the added-value we provide to customers.

Lastly, to change mindset of employees and motivate them to change themselves by showing good role models.

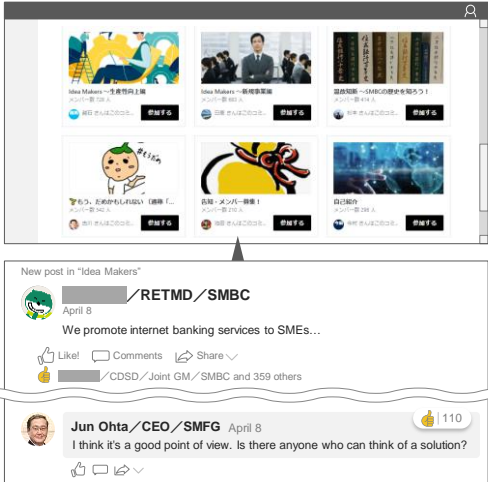
The third one is the reason why I’m appointing young employees as CEOs. I look forward to new business ideas coming from our employees motivated by them.

Create a framework for nurturing new business seeds

Internal SNS

三井住友

Promote active communication across divisions and positions



End-users

21K

Active users

6K

Next-generation workplace

Offices that induce innovation and communication



We launched internal SNS in order to nurture such business seeds.

We named it "Midori-no-Hiroba" ("Green Square", or "MIDORIBA" as its nickname) from nominees collected in this SNS.

There are various conversations everyday, and I sometimes push Like! or leave comments. I am very excited because there are some ideas that could be turned into projects.

On the other hand, I realized that real-communication is as important as on-line through our experience in the COVID-19 crisis.

We are currently trying next-generation workplace, that is designed to induce innovation and communication among employees by choosing work place depending on their situation.

I want our employees to work lively and actively, get out of their comfort zones, and break the mold of our company. It is my role to provide an environment where they can do that.

Seek new business opportunities

Further improve customer convenience as a solution provider by reinforcing both financial and non-financial services.

Revision of banking regulation

prospect
in 2021

Advanced banking service company

Able to extend our operation broadly

FinTech	Data analysis/ marketing/ advertising
Sales of banks' own apps and IT systems	Regional trading company
Registered temporary staffing	Maintenance of ATM
Special subsidiary company related to Act on Employment Promotion of Persons with Disabilities	Cooperation with local communities regarding adult guardianship

Accelerate to become a solution provider

Advertising business

Subject to approval

Advanced banking service company

Analyzing personal needs from financial data

Retirement

- Age
- Retirement allowance

×

Travel lover

- Draw down of traveling fee
- Usage of ATM in rural areas

Advertiser

Travel agent

Advertisement

Travel plan for seniors

It is expected that some new business areas will become open to bank subsidiaries as a result of revision of Banking Act.

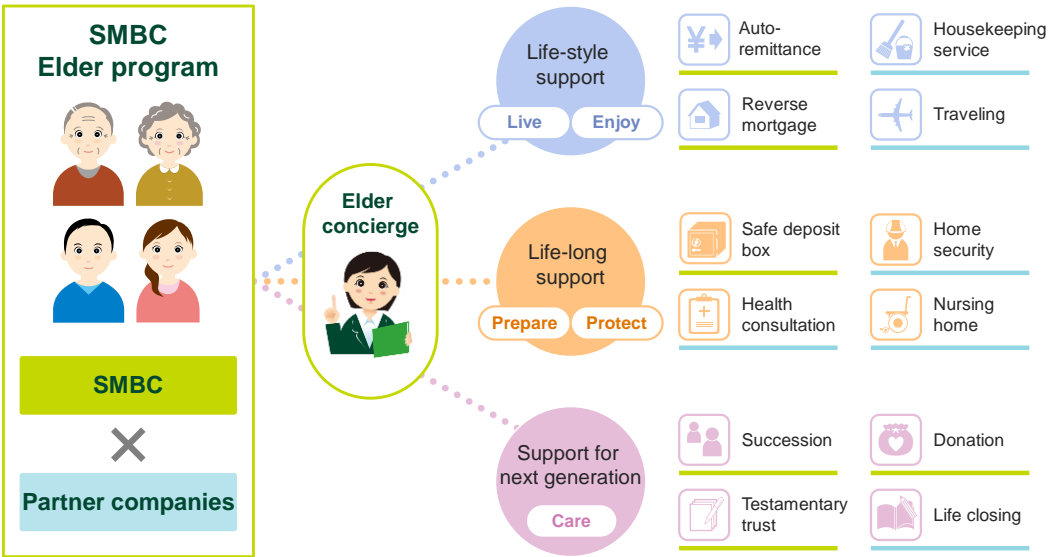
I think this is a great opportunity for us to diversify our revenue sources.

We are currently considering to enter into the advertising business.

We will pursue various opportunities as a solution provider of both financial and non-financial services.

SMBC Elder Program

Offer high value-added financial and non-financial products / services in response to customer needs in the 100-year life era.



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SMBC Elder Program is our new business to respond to diversifying customer needs in the 100-year life era, especially aged customers' needs.

This is a subscription service which we provide both financial and non-financial products via "elder concierges".

We will further upgrade the service in order to provide more convenient products by using our retail platform.



FY3/21 began and ended with COVID-19.

However, U.S. banks have achieved great results by accurately grasping the changes in market.

We can no longer slow down our business, though the negative impact of COVID-19 remains in FY3/22.

FY3/22 will be a very important year in order to achieve the target of the Medium-Term Management Plan as the second year of the plan. We will accelerate all the initiatives that I explained today in order to prove that SMBC Group become even stronger through the COVID-19 crisis.

I sincerely ask for your continued support and understanding. Thank you.