

Sumitomo Mitsui Financial Group, Inc.

Consolidated Financial Results for the Six Months Ended September 30, 2021

<Under Japanese GAAP>



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 Stock Exchange Listings: Tokyo Stock Exchange, Nagoya Stock Exchange, New York Stock Exchange
 URL: <https://www.smfg.co.jp/english/>
 President: Jun Ohta
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Note: Amounts less than one million yen have been rounded down.

1. Consolidated financial results (for the six months ended September 30, 2021)

(1) Operating results

(Millions of yen, except per share data and percentages)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Six months ended September 30, 2021	¥ 1,965,482	0.8 %	¥ 630,028	81.9 %	¥ 456,068	68.8 %
Six months ended September 30, 2020	1,949,441	(17.0)	346,294	(38.0)	270,130	(37.5)

Notes: 1. Comprehensive income:

(a) for the six months ended September 30, 2021: ¥ 614,901 million [(11.0)%]

(b) for the six months ended September 30, 2020: ¥ 690,749 million [70.3%]

2. Percentages shown in ordinary income, ordinary profit, profit attributable to owners of parent and comprehensive income are the increase (decrease) from the same period in the previous fiscal year.

	Earnings per share	Earnings per share (Diluted)
Six months ended September 30, 2021	¥ 332.74	¥ 332.59
Six months ended September 30, 2020	197.18	197.08

(2) Financial position

(Millions of yen, except percentages)

	Total assets	Net assets	Net assets ratio
As of September 30, 2021	¥ 241,341,831	¥ 12,376,017	5.1%
As of March 31, 2021	242,584,308	11,899,046	4.9

Notes: 1. Stockholders' equity:

(a) as of September 30, 2021: ¥12,300,152 million (b) as of March 31, 2021: ¥11,826,418 million

2. Net assets ratio = {(Net assets – stock acquisition rights – non-controlling interests) / total assets} X 100

2. Dividends on common stock

(Yen)

	Cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual
Fiscal year ended March 31, 2021	¥ —	¥ 95.00	¥ —	¥ 95.00	¥ 190.00
Fiscal year ending March 31, 2022	—	105.00	—	—	—
Fiscal year ending March 31, 2022(Forecast)	—	—	—	105.00	210.00

Note: Dividend forecast which was announced in May 2021 is revised.

3. Earnings forecast on a consolidated basis (for the fiscal year ending March 31, 2022)

(Millions of yen, except per share data and percentage)

	Profit attributable to owners of parent	Earnings per share
Fiscal year ending March 31, 2022	¥ 670,000	30.7%
		¥ 488.76

Notes: 1. Earnings forecast which was announced in May 2021 is revised.

2. Percentage shown in profit attributable to owners of parent is the increase (decrease) from the previous fiscal year.

3. Forecasted earnings per share is calculated by dividing forecasted profit attributable to owners of parent by the number of issued common stocks (excluding treasury stocks) as of September 30, 2021.

* Notes

(1) There were no changes in material consolidated subsidiaries in the period.

(2) Changes in accounting policies, changes in accounting estimates and restatements

(a) Changes in accounting policies due to application of new or revised accounting standards : Yes

(b) Changes in accounting policies due to reasons other than above (a) : No

(c) Changes in accounting estimates : No

(d) Restatements : No

Note: For more details, see page 2 “1. Matters related to summary information (Note).”

(3) Number of shares issued (common stocks)

	As of September 30, 2021	As of March 31, 2021
(a) Number of shares issued (including treasury stocks)	1,374,362,102 shares	1,374,040,061 shares
(b) Number of treasury stocks	3,535,806 shares	3,612,302 shares
	Six months ended September 30, 2021	Six months ended September 30, 2020
(c) Average number of shares issued in the period	1,370,657,068 shares	1,369,997,916 shares

(Summary of financial information on a non-consolidated basis)

Non-consolidated financial results (for the six months ended September 30, 2021)

(1) Operating results

(Millions of yen, except per share data and percentages)

	Operating income		Operating profit		Ordinary profit		Net income	
Six months ended								
September 30, 2021	¥ 143,717	(13.0)%	¥ 43,883	(37.3)%	¥ 38,309	(41.4)%	¥ 41,886	(37.8)%
September 30, 2020	165,121	(35.5)	70,024	(56.7)	65,399	(58.0)	67,343	(57.7)
	Earnings per share							
Six months ended								
September 30, 2021	¥ 30.56							
September 30, 2020	49.16							

Note: Percentages shown in operating income, operating profit, ordinary profit and net income are the increase (decrease) from the same period in the previous year.

(2) Financial position

(Millions of yen, except percentages)

	Total assets	Net assets	Net assets ratio
As of September 30, 2021	¥ 15,337,581	¥ 5,896,524	38.4%
As of March 31, 2021	15,025,382	5,983,656	39.8

Note: Stockholders' equity:

(a) as of September 30, 2021: ¥5,895,025 million (b) as of March 31, 2021: ¥5,981,865 million

Note on interim audit procedures:

This report is out of the scope of the interim audit procedures.

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 Sumitomo Mitsui Financial Group, Inc. (“the Company”) and its management with respect to the Company’s 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 the Company’s securities portfolio; incurrence of significant credit-related costs; the Company’s ability to successfully implement its business strategy through its subsidiaries, affiliates and alliance partners; and exposure to new risks as the Company expands the scope of its 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. The Company undertakes no obligation to update or revise any forward-looking statements. Please refer to the Company’s most recent disclosure documents such as its annual report on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as its earnings press releases, for a more detailed description of the risks and uncertainties that may affect its financial conditions, its operating results, and investors’ decisions.

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1. Matters related to summary information (Note)

Changes in accounting policies due to application of new or revised accounting standards

Application of Accounting Standard for Revenue Recognition etc.

The Company applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020) etc. from the beginning of the period for the six months ended September 30, 2021, and has recognized revenue in an amount expected to be earned in exchange for goods or services at the time when controls of the promised goods or services are transferred to customers.

As for the application of Accounting standards for Revenue Recognition etc., in accordance with transitional treatment stipulated in the proviso of Paragraph 84 of “Accounting Standard for Revenue Recognition,” the cumulative effects by the retroactive application of the new accounting policy previous to the beginning of the period for the six months ended September 30, 2021 are adjusted to “Retained earnings” of the beginning of the period for the six months ended September 30, 2021.

As a result, “Retained earnings” decreased by ¥8,502 million at the beginning of the period for the six months ended September 30, 2021.

2. Consolidated financial statements**(1) Consolidated balance sheets**

	Millions of yen	
	March 31, 2021	September 30, 2021
Assets:		
Cash and due from banks	¥ 72,568,875	¥ 70,940,025
Call loans and bills bought	2,553,463	2,760,584
Receivables under resale agreements	5,565,119	4,686,909
Receivables under securities borrowing transactions	5,827,448	5,805,985
Monetary claims bought	4,665,244	4,829,709
Trading assets	6,609,195	6,493,877
Money held in trust	309	309
Securities	36,549,043	36,278,557
Loans and bills discounted	85,132,738	85,037,573
Foreign exchanges	2,173,189	3,299,302
Lease receivables and investment assets	236,392	228,695
Other assets	8,590,785	8,476,457
Tangible fixed assets	1,458,991	1,478,934
Intangible fixed assets	738,759	744,165
Net defined benefit asset	565,534	584,177
Deferred tax assets	29,840	30,062
Customers' liabilities for acceptances and guarantees	9,978,396	10,296,696
Reserve for possible loan losses	(659,017)	(630,194)
Total assets	<u>¥ 242,584,308</u>	<u>¥ 241,341,831</u>
Liabilities:		
Deposits	¥ 142,026,156	¥ 141,340,182
Negotiable certificates of deposit	12,570,617	11,962,673
Call money and bills sold	1,368,515	1,723,491
Payables under repurchase agreements	15,921,103	14,291,544
Payables under securities lending transactions	2,421,353	1,813,833
Commercial paper	1,686,404	2,127,405
Trading liabilities	5,357,649	4,392,292
Borrowed money	17,679,690	18,104,699
Foreign exchanges	1,113,037	1,419,000
Short-term bonds	585,000	401,000
Bonds	9,043,031	9,461,894
Due to trust account	2,321,223	2,543,382
Other liabilities	7,741,638	8,192,422
Reserve for employee bonuses	89,522	59,184
Reserve for executive bonuses	4,408	—
Net defined benefit liability	35,334	35,413
Reserve for executive retirement benefits	1,081	965
Reserve for point service program	24,655	24,419
Reserve for reimbursement of deposits	9,982	7,714
Reserve for losses on interest repayment	140,758	121,960
Reserves under the special laws	3,902	4,083
Deferred tax liabilities	532,193	612,212
Deferred tax liabilities for land revaluation	29,603	29,338
Acceptances and guarantees	9,978,396	10,296,696
Total liabilities	<u>230,685,262</u>	<u>228,965,814</u>
Net assets:		
Capital stock	2,341,274	2,341,878
Capital surplus	693,205	693,614
Retained earnings	6,492,586	6,809,834
Treasury stock	(13,698)	(13,409)
Total stockholders' equity	<u>9,513,367</u>	<u>9,831,917</u>
Net unrealized gains (losses) on other securities	2,094,605	2,192,305
Net deferred gains (losses) on hedges	14,723	(10,828)
Land revaluation excess	36,251	36,345
Foreign currency translation adjustments	40,390	133,014
Accumulated remeasurements of defined benefit plans	127,080	117,398
Total accumulated other comprehensive income	<u>2,313,051</u>	<u>2,468,234</u>
Stock acquisition rights	1,791	1,498
Non-controlling interests	70,836	74,365
Total net assets	<u>11,899,046</u>	<u>12,376,017</u>
Total liabilities and net assets	<u>¥ 242,584,308</u>	<u>¥ 241,341,831</u>

(2) Consolidated statements of income and consolidated statements of comprehensive income
(Consolidated statements of income)

Six months ended September 30	Millions of yen	
	2020	2021
Ordinary income	¥ 1,949,441	¥ 1,965,482
Interest income	947,734	891,702
Interest on loans and discounts	699,690	643,762
Interest and dividends on securities	136,896	165,896
Trust fees	2,253	2,630
Fees and commissions	598,328	668,871
Trading income	139,797	122,300
Other operating income	180,705	124,489
Other income	80,622	155,487
Ordinary expenses	1,603,146	1,335,454
Interest expenses	315,673	179,504
Interest on deposits	89,975	40,751
Fees and commissions payments	99,807	113,999
Trading losses	462	142
Other operating expenses	75,502	85,061
General and administrative expenses	836,421	875,934
Other expenses	275,278	80,810
Ordinary profit	346,294	630,028
Extraordinary gains	407	1,413
Extraordinary losses	4,767	4,681
Income before income taxes	341,934	626,759
Income taxes-current	87,704	112,720
Income taxes-deferred	(16,322)	54,679
Income taxes	71,381	167,399
Profit	270,553	459,359
Profit attributable to non-controlling interests	422	3,291
Profit attributable to owners of parent	¥ 270,130	¥ 456,068

(Consolidated statements of comprehensive income)

Six months ended September 30	Millions of yen	
	2020	2021
Profit	¥ 270,553	¥ 459,359
Other comprehensive income	420,195	155,541
Net unrealized gains (losses) on other securities	358,489	97,429
Net deferred gains (losses) on hedges	24,261	(25,465)
Foreign currency translation adjustments	(52,920)	69,274
Remeasurements of defined benefit plans	91,672	(9,773)
Share of other comprehensive income of affiliates	(1,307)	24,075
Total comprehensive income	690,749	614,901
Comprehensive income attributable to owners of parent	688,797	611,157
Comprehensive income attributable to non-controlling interests	1,951	3,743

(3) Consolidated statements of changes in net assets

	Millions of yen				
	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Six months ended September 30, 2020					
Balance at the beginning of the period	¥ 2,339,964	¥ 692,003	¥ 6,336,311	¥ (13,983)	¥ 9,354,296
Cumulative effects of changes in accounting policies			(41,849)		(41,849)
Restated balance	2,339,964	692,003	6,294,462	(13,983)	9,312,447
Changes in the period					
Issuance of new stock	1,309	1,308			2,618
Cash dividends			(136,952)		(136,952)
Profit attributable to owners of parent			270,130		270,130
Purchase of treasury stock				(21)	(21)
Disposal of treasury stock		(50)		311	261
Changes in shareholders' interest due to transaction with non-controlling interests		(213)			(213)
Reversal of land revaluation excess			(161)		(161)
Transfer from retained earnings to capital surplus		50	(50)		—
Net changes in items other than stockholders' equity in the period	1,309	1,095	132,966	290	135,661
Net changes in the period	¥ 2,341,274	¥ 693,098	¥ 6,427,428	¥ (13,693)	¥ 9,448,109
Balance at the end of the period					

	Millions of yen					
	Accumulated other comprehensive income					
	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedges	Land revaluation excess	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total
Six months ended September 30, 2020						
Balance at the beginning of the period	¥ 1,371,407	¥ 82,257	¥ 36,878	¥ (32,839)	¥ (92,030)	¥ 1,365,673
Cumulative effects of changes in accounting policies						
Restated balance	1,371,407	82,257	36,878	(32,839)	(92,030)	1,365,673
Changes in the period						
Issuance of new stock						
Cash dividends						
Profit attributable to owners of parent						
Purchase of treasury stock						
Disposal of treasury stock						
Changes in shareholders' interest due to transaction with non-controlling interests						
Reversal of land revaluation excess						
Transfer from retained earnings to capital surplus						
Net changes in items other than stockholders' equity in the period	358,565	23,346	177	(54,706)	91,461	418,845
Net changes in the period	¥ 1,729,972	¥ 105,603	¥ 37,056	¥ (87,545)	¥ (568)	¥ 1,784,519
Balance at the end of the period						

	Millions of yen		
	Stock acquisition rights	Non-controlling interests	Total net assets
	Six months ended September 30, 2020		
Balance at the beginning of the period	¥ 2,064	¥ 62,869	¥ 10,784,903
Cumulative effects of changes in accounting policies			(41,849)
Restated balance	2,064	62,869	10,743,054
Changes in the period			
Issuance of new stock			2,618
Cash dividends			(136,952)
Profit attributable to owners of parent			270,130
Purchase of treasury stock			(21)
Disposal of treasury stock			261
Changes in shareholders' interest due to transaction with non-controlling interests			(213)
Reversal of land revaluation excess			(161)
Transfer from retained earnings to capital surplus			—
Net changes in items other than stockholders' equity in the period	(255)	2,365	420,954
Net changes in the period	¥ 1,808	¥ 65,234	¥ 11,299,671
Balance at the end of the period			

(Continued)

	Millions of yen				
	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Six months ended September 30, 2021					
Balance at the beginning of the period	¥ 2,341,274	¥ 693,205	¥ 6,492,586	¥ (13,698)	¥ 9,513,367
Cumulative effects of changes in accounting policies			(8,502)		(8,502)
Restated balance	2,341,274	693,205	6,484,083	(13,698)	9,504,865
Changes in the period					
Issuance of new stock	603	603			1,207
Cash dividends			(130,190)		(130,190)
Profit attributable to owners of parent			456,068		456,068
Purchase of treasury stock				(37)	(37)
Disposal of treasury stock		(32)		327	295
Changes in shareholders' interest due to transaction with non-controlling interests		(195)			(195)
Reversal of land revaluation excess			(94)		(94)
Transfer from retained earnings to capital surplus		32	(32)		—
Net changes in items other than stockholders' equity in the period					
Net changes in the period	603	408	325,751	289	327,052
Balance at the end of the period	¥ 2,341,878	¥ 693,614	¥ 6,809,834	¥ (13,409)	¥ 9,831,917

	Millions of yen					
	Accumulated other comprehensive income					
	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedges	Land revaluation excess	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total
Six months ended September 30, 2021						
Balance at the beginning of the period	¥ 2,094,605	¥ 14,723	¥ 36,251	¥ 40,390	¥ 127,080	¥ 2,313,051
Cumulative effects of changes in accounting policies						
Restated balance	2,094,605	14,723	36,251	40,390	127,080	2,313,051
Changes in the period						
Issuance of new stock						
Cash dividends						
Profit attributable to owners of parent						
Purchase of treasury stock						
Disposal of treasury stock						
Changes in shareholders' interest due to transaction with non-controlling interests						
Reversal of land revaluation excess						
Transfer from retained earnings to capital surplus						
Net changes in items other than stockholders' equity in the period	97,699	(25,552)	94	92,624	(9,682)	155,183
Net changes in the period	97,699	(25,552)	94	92,624	(9,682)	155,183
Balance at the end of the period	¥ 2,192,305	¥ (10,828)	¥ 36,345	¥ 133,014	¥ 117,398	¥ 2,468,234

	Millions of yen		
	Stock acquisition rights	Non-controlling interests	Total net assets
	Six months ended September 30, 2021		
Balance at the beginning of the period	¥ 1,791	¥ 70,836	¥ 11,899,046
Cumulative effects of changes in accounting policies			(8,502)
Restated balance	1,791	70,836	11,890,544
Changes in the period			
Issuance of new stock			1,207
Cash dividends			(130,190)
Profit attributable to owners of parent			456,068
Purchase of treasury stock			(37)
Disposal of treasury stock			295
Changes in shareholders' interest due to transaction with non-controlling interests			(195)
Reversal of land revaluation excess			(94)
Transfer from retained earnings to capital surplus			—
Net changes in items other than stockholders' equity in the period	(292)	3,529	158,420
Net changes in the period	(292)	3,529	485,473
Balance at the end of the period	¥ 1,498	¥ 74,365	¥ 12,376,017

(4) Note on going concern

Not applicable.