

Overview of FY3/2022

May 13, 2022



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. 21	Mar. 22
USD	110.71	122.41
EUR	129.75	136.81

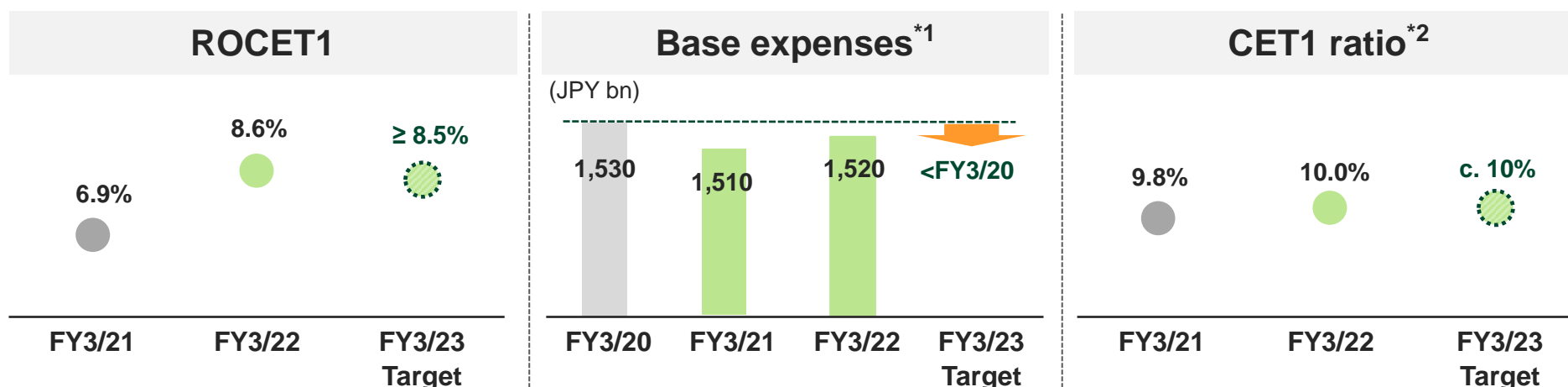
Definitions

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

Highlights

	Net business profit	Profit attributable to owners of parent	Dividends
FY3/22 results	JPY 1,152.9 bn JPY +68.9 bn vs FY3/21	JPY 706.6 bn JPY +193.8 bn vs FY3/21	JPY 210 / share JPY + 20 vs FY3/21
FY3/23 target	JPY 1,235 bn Initial target: JPY 1,235 bn	JPY 730 bn Initial target: JPY 710 bn + α	JPY 220 / share Payout ratio 41%

Financial Targets of the Medium-Term Management Plan



*1 G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others.
 Exchange at 1USD=JPY105 *2 Post-Basel III reforms basis, excludes net unrealized gains on other securities

Income statement

Consolidated net business profit and profit attributable to owners of parent exceeded FY3/21 and the targets, despite a negative impact from Russia.

	(JPY bn)	FY3/22	YoY	vs. Target
1	Consolidated gross profit	2,945.5	+139.3	
2	G&A expenses	1,821.1	+74.0	
	Overhead ratio	61.8%	(0.5)%	
3	Equity in gains (losses) of affiliates	28.5	+3.5	
4	Consolidated net business profit	1,152.9	+68.9	+32.9
5	Total credit cost	274.4	(86.1)	+74.4
6	Gains (losses) on stocks	209.1	+116.5	
7	Other income (expenses)	(46.9)	+58.1	
8	Ordinary profit	1,040.6	+329.6	+60.6
9	Extraordinary gains (losses)	(111.0)	(72.3)	
10	Income taxes	214.5	+58.2	
11	Profit attributable to owners of parent	706.6	+193.8	+36.6
12	ROE	7.3%	+1.9%	

Consolidated gross profit: increased YoY due to strong performance of RT, WS and GB Business Units, despite lower gains on sales of bonds in GM Business Unit.
Impact of SMBC Nikko's case : approx. JPY (10) bn.

G&A expenses: increased YoY mainly due to business recovery from COVID-19, as well as higher variable marketing cost of SMCC, which is successfully increasing new customers.

Equity in gains of affiliates: increased YoY mainly due to business recovery in affiliates in Asia.
Impairment of aircraft in SMBCAC: JPY 47 bn

Total credit cost: JPY 75 bn of reserve build for exposure to Russia including forward-looking provisions.

Gains on stocks: increased YoY due to higher gains on sales of strategic shareholdings (JPY 162 bn, YoY JPY 97 bn)

Other income: increased YoY due to the absence of the loss from forward dealings recorded in FY3/21.
Allowance on interest repayment : JPY 32 bn, YoY JPY (7) bn

Extraordinary losses: recorded impairment of branches and software in SMBC and SMBC Trust, as well as freight cars in SMBC Rail Services.

(Ref.) Group companies

SMBC

	(JPY bn)	FY3/22	YoY	vs. Target
1 Gross banking profit		1,579.2	+97.5	
2 o/w Net interest income		1,091.1	+154.7	
3 o/w Gains (losses) on cancellation of investment trusts		41.5	+7.7	
4 Domestic		638.8	+55.3	
5 Overseas		452.3	+99.4	
6 o/w Net fees and commissions		398.5	+67.8	
7 Domestic		198.2	+22.0	
8 Overseas		200.3	+45.7	
9 o/w Net trading income+ Net other operating income		87.4	(125.1)	
10 o/w Gains (losses) on bonds		(42.4)	(122.3)	
11 Expenses		857.2	+40.7	
12 Banking profit		721.9	+56.8	+46.9
13 Total credit cost		161.1	(81.6)	+81.1
14 Gains (losses) on stocks		157.3	+93.7	
15 Extraordinary gains (losses)		27.9	+77.8	
16 Net income		546.3	+208.3	+86.3

Other major group companies

(left : results of FY3/22 / right : YoY)

(JPY bn)	SMCC		SMBC Nikko ^{*1}		SMBCCF	
Gross profit	406.0	+20.4	387.1	(42.6)	254.9	(4.8)
Expenses	339.9	+22.6	318.2	+4.7	116.4	+5.8
Net business profit	65.9	(2.8)	68.9	(47.3)	138.5	(10.6)
Net income	19.8	(16.0)	51.4	(40.7)	58.8 ^{*2}	+4.7

(Equity method affiliate)

	SMBC Trust		SMDAM		50% SMFL ^{*3}	50%
Gross profit	48.5	+8.3	39.2	+5.1	233.4	+56.7
Expenses	44.1	+0.2	30.2	(2.1)	103.2	+17.5
Net business profit	4.4	+8.1	9.1	+7.3	138.2	+43.0
Net income	(15.9)	(7.4)	5.4	+33.4	35.4	+1.7

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

*2 Deduct internal transactions *3 Managerial accounting basis

FY3/23 target and Dividends

Consolidated

(JPY bn)	Results	Target	
	FY3/22	FY3/23	1H
Consolidated net business profit	1,152.9	① 1,235	600
Total credit cost	274.4	② 210	100
Ordinary profit	1,040.6	1,060	520
Profit attributable to owners of parent	706.6	③ 730	350

①	Consolidated net business profit	YoY: JPY+82bn Due to the profit increase in RT, WS, and GB through accelerating initiatives of the Medium-Term Management Plan.
②	Total credit cost	JPY 210 bn (normalized level) Necessary provisions for exposure to Russia was reserved in FY3/22.
③	Profit attributable to owners of parent	YoY: JPY +23 bn Due to the decrease of gains on stocks in addition to the above.

Non-consolidated

(JPY bn)	Results	Target	
	FY3/22	FY3/23	1H
Banking profit	721.9	730	370
Total credit cost	161.1	80	40
Ordinary profit	746.0	710	360
Net income	546.3	490	260

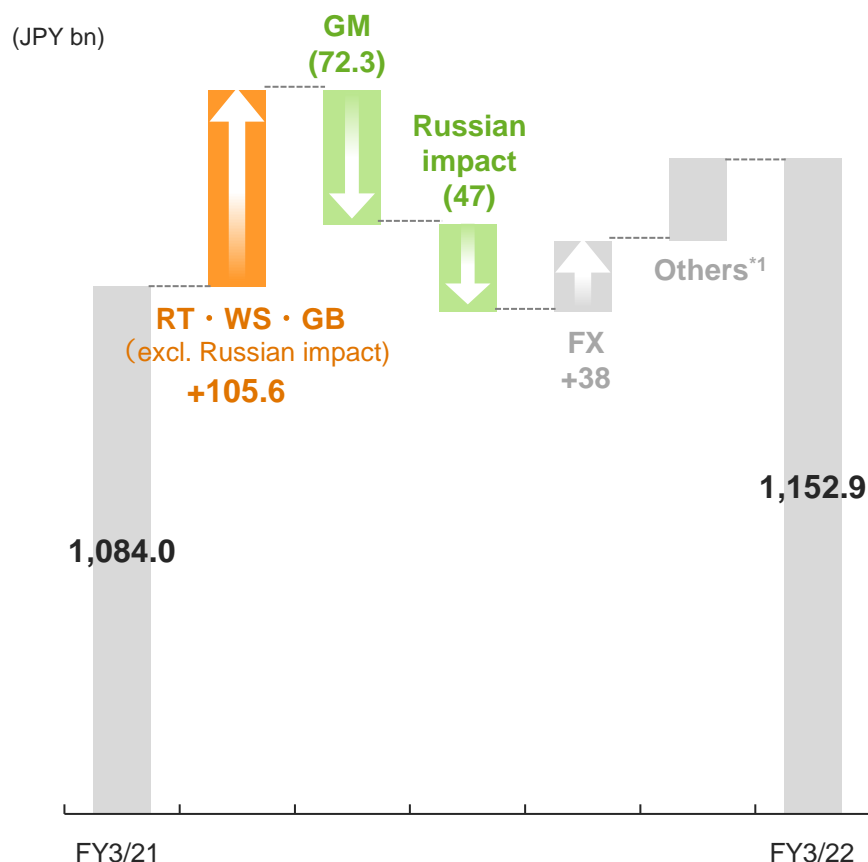
Dividends

(JPY)	Results	YoY	Forecast	YoY
	FY3/22		FY3/23	
DPS	210	+20	220	+10
Dividend payout ratio	41%	(10)%	41%	(0)%

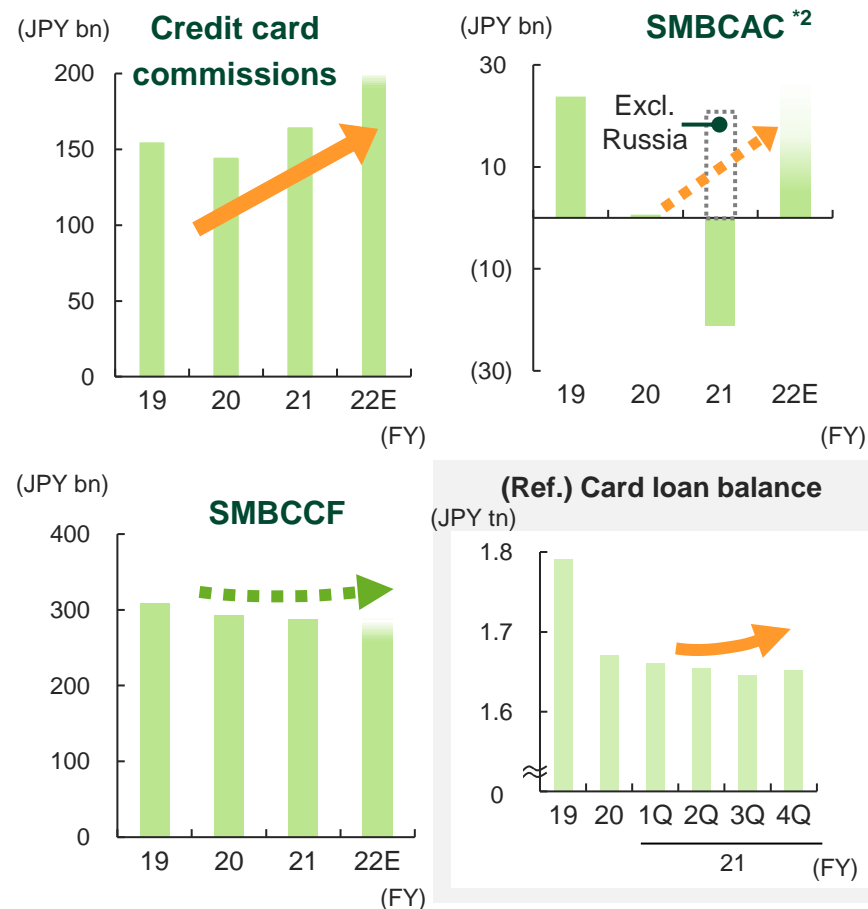
Consolidated net business profit

Strong profits in WS and GB offset Russian impact and the profit decline in GM.
COVID-19 impact remains in consumer finance, but the loan balance is bottoming out.

Breakdown of YoY



COVID-19 impact



Financial impact from Russia

FY3/22: Total negative impact was JPY 100 bn, incl. forward-looking reserves and impairments.

FY3/23: Volatile depending on the situation in Russia.

FY3/22

Net operating profit JPY (47) bn

- Impairment of aircraft (leased to Russian airlines)

52% of NBV of aircraft
(after net guarantee deposits, etc.) JPY (82) bn

→ After tax and ownership ratio (66%) JPY (47) bn

Credit cost JPY 75 bn

- Approx. 30% of exposure to Russian borrowers

o/w forward-looking provisions JPY 40 bn

Bottom-line profit JPY (100) bn

FY3/23

- Absorb losses with forward-looking reserves and impairment implemented in FY3/22
- Remains upside and downside volatility

Upside

- ✓ Reversal from forward-looking provisions and no further downgrades in exposure to Russia
- ✓ Early receipt of the insurance in SMBCAC

Downside

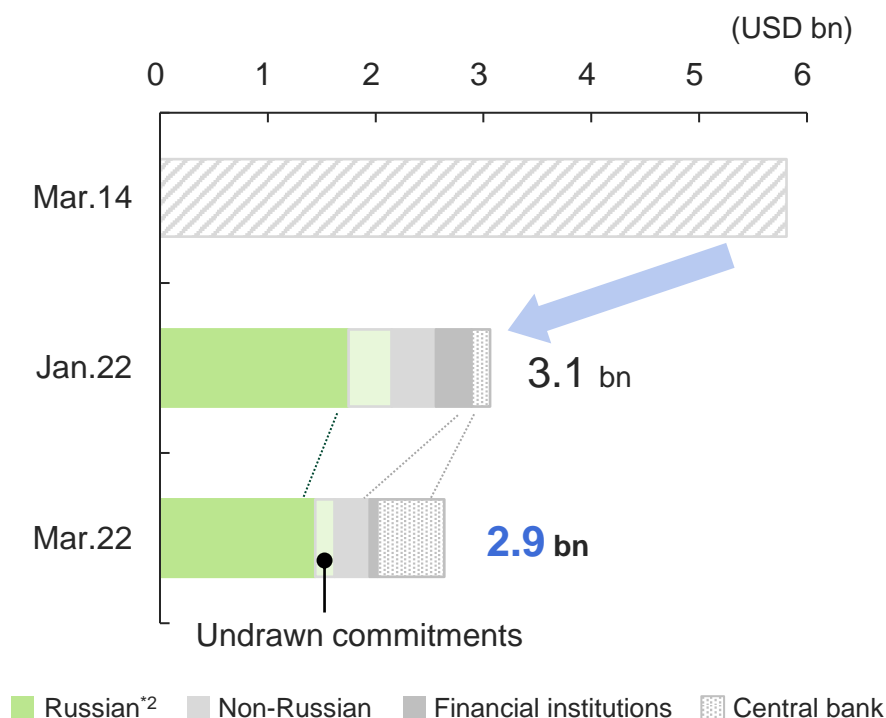
- ✓ Additional impairment for aircraft (max. USD 460 mn*1)
- ✓ Additional credit cost
- ✓ Expropriation of Russian local subsidiary

*1 After considering tax and ownership ratio

(Ref.) SMBC Group's update on Russia

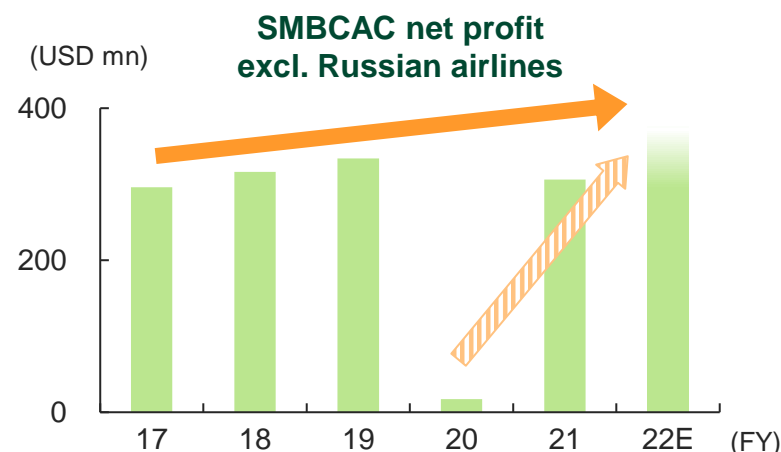
Banking business (incl. local subsidiary) ^{*1}

- Decreased by USD 200 mn from Jan. 22
- Deposits in central bank increased instead of repayment of Rubles loans



Aircraft leasing

- NBV of aircraft in Russia: USD 0.8 bn, approx. 6% of all aircraft (after impairment on Mar.22)
- Notice issued to all Russian airline customers terminating the leasing, and requiring the grounding, of all aircraft (Collected 1 out of 35 aircraft)
- All aircraft are insured
- Performance has been recovering excl. Russian impact



^{*1} Managerial accounting basis. Loans, commitment lines, guarantee investments, etc. of consolidated subsidiaries and major equity-method affiliates calculated based on ultimate risk countries

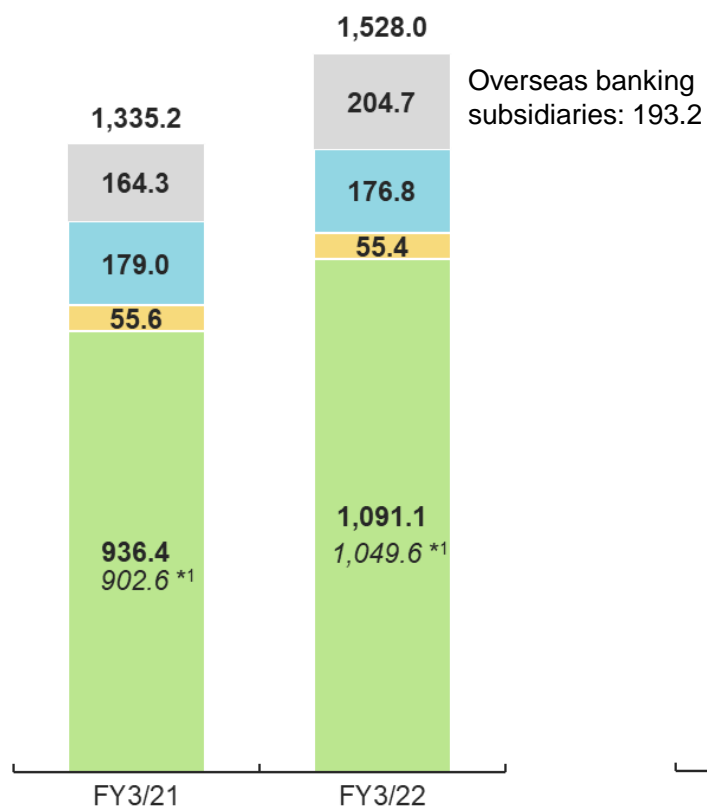
^{*2} Including project finance and ship finance

Consolidated gross profit

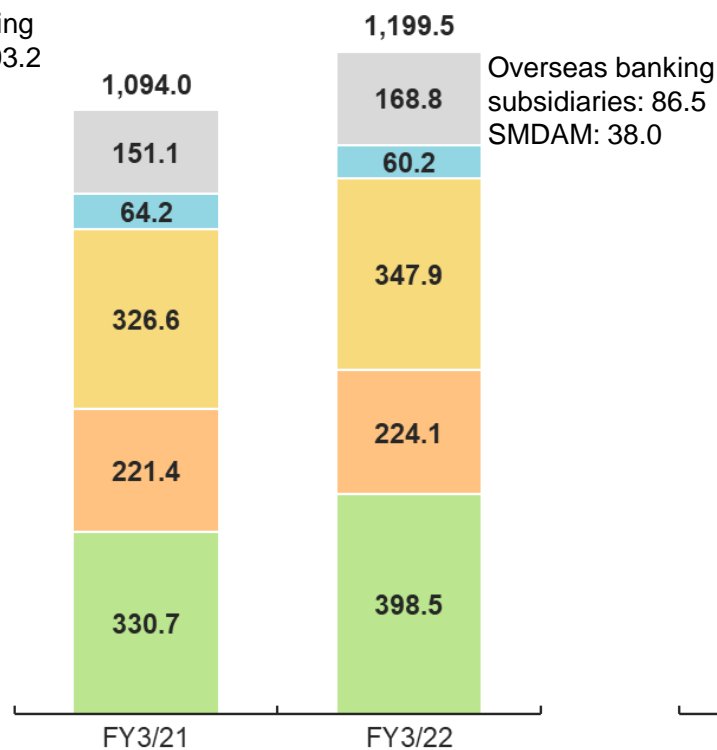
■ SMBC ■ SMBC Nikko ■ SMCC ■ SMBCCF ■ Others

Net interest income

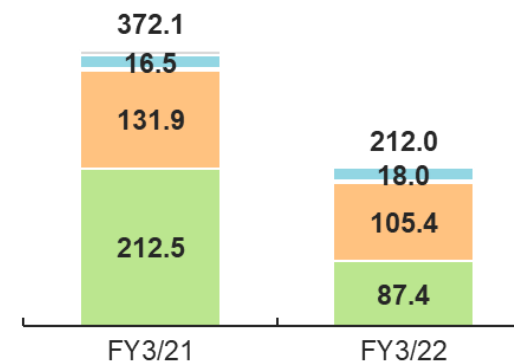
(JPY bn)



Net fees and commissions

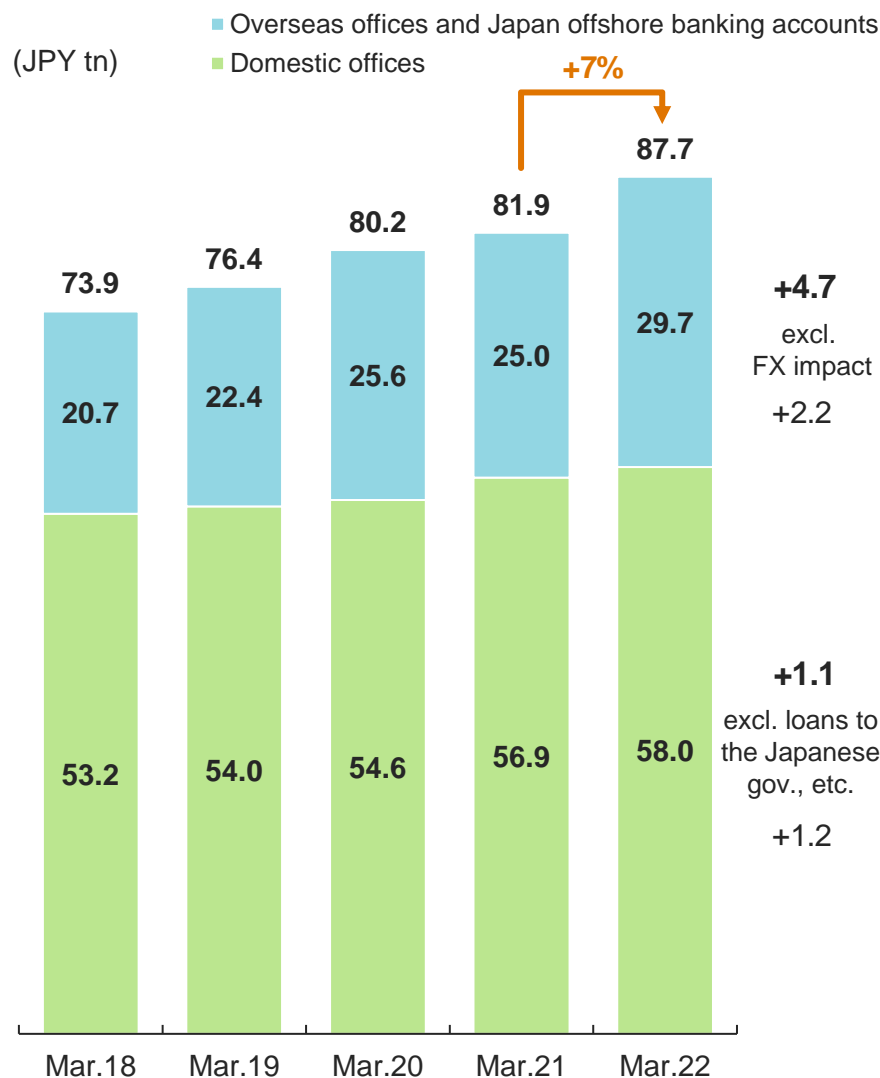


Net trading income + Net other operating income



Loans*1

Loan balance



Domestic loan-to-deposit spread

	FY3/22	YoY	1H	2H
(%)				
Interest earned on loans and bills discounted	0.84	+0.00	0.85	0.83
Interest paid on deposits, etc.	0.00	+0.00	0.00	0.00
Loan-to-deposit spread	0.84	+0.00	0.85	0.83

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

Interest earned on loans and bills discounted	0.86	(0.00)	0.86	0.85
Loan-to-deposit spread	0.86	(0.00)	0.86	0.85

Average loan balance and spread*2

	Balance (JPY tn)		Spread (%)	
	FY3/22	YoY*4	FY3/22	YoY
Domestic loans	55.3	(1.1)	0.71	+0.01
Excluding loans to the Japanese government, etc.	53.0	(0.7)	0.74	+0.01
o/w Large corporations	18.6	(0.7)	0.54	+0.04
o/w Mid-sized corporations & SMEs	19.2	+0.3	0.61	+0.01
o/w Individuals	12.0	(0.3)	1.38	(0.04)
GBU's interest earning assets*3	340.6 USD bn	+3.1 USD bn	1.20	+0.04

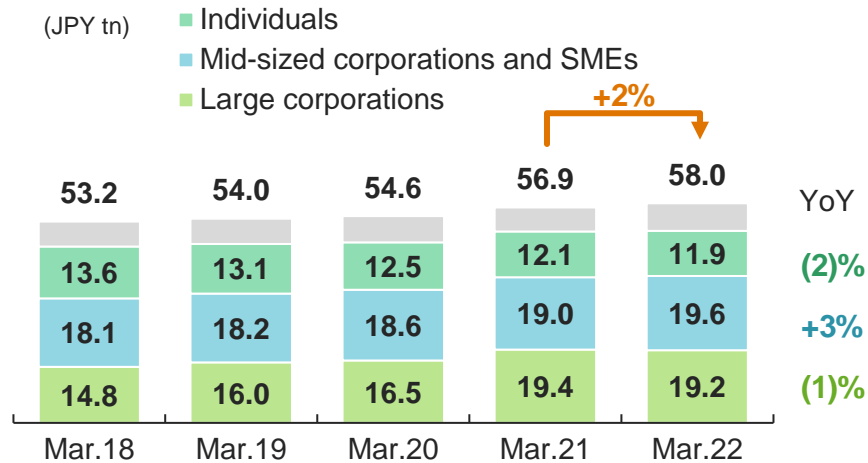
*1 Non-consolidated *2 Managerial accounting basis

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

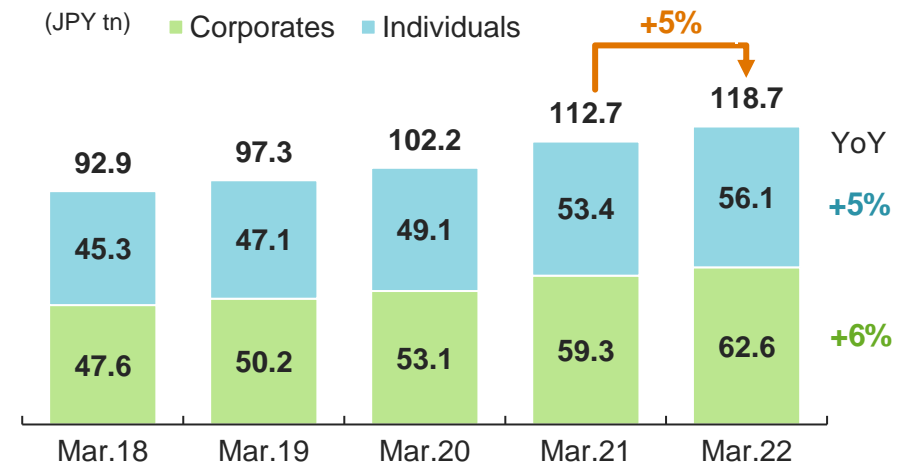
*4 After adjustments for exchange rates, etc.

Domestic Deposit and Loan*1

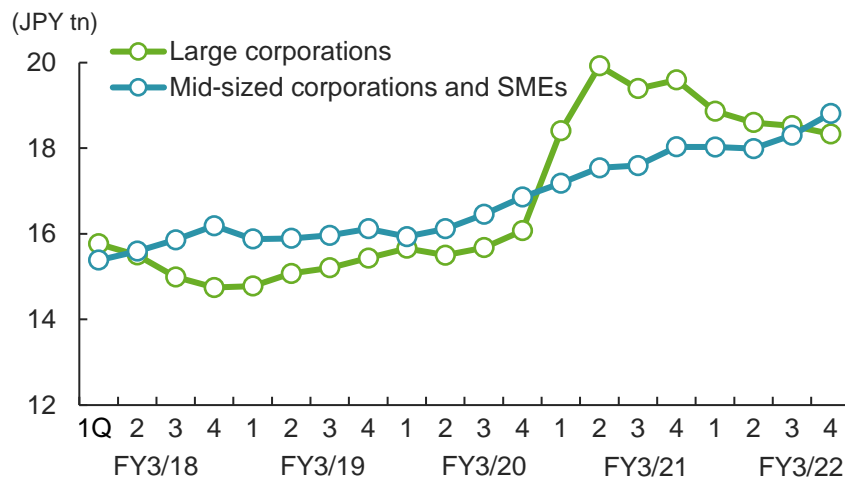
Loan balance*2



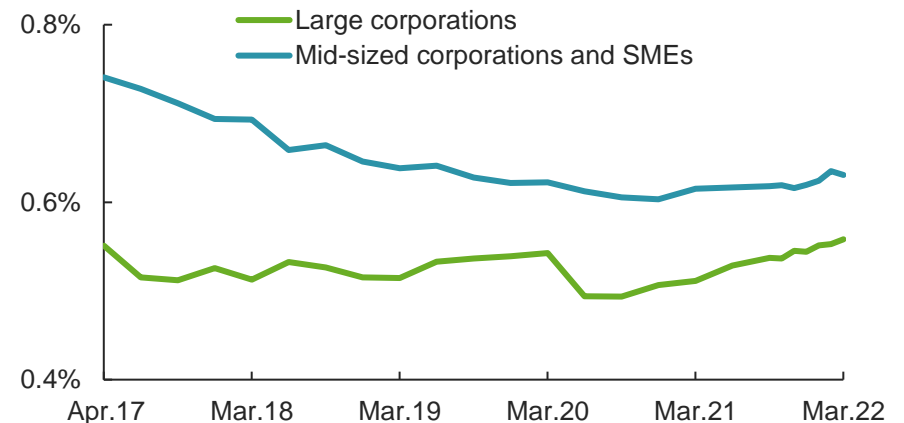
Deposit balance



Loan average balance for corporates*2,3



Loan spread for corporates*2,4



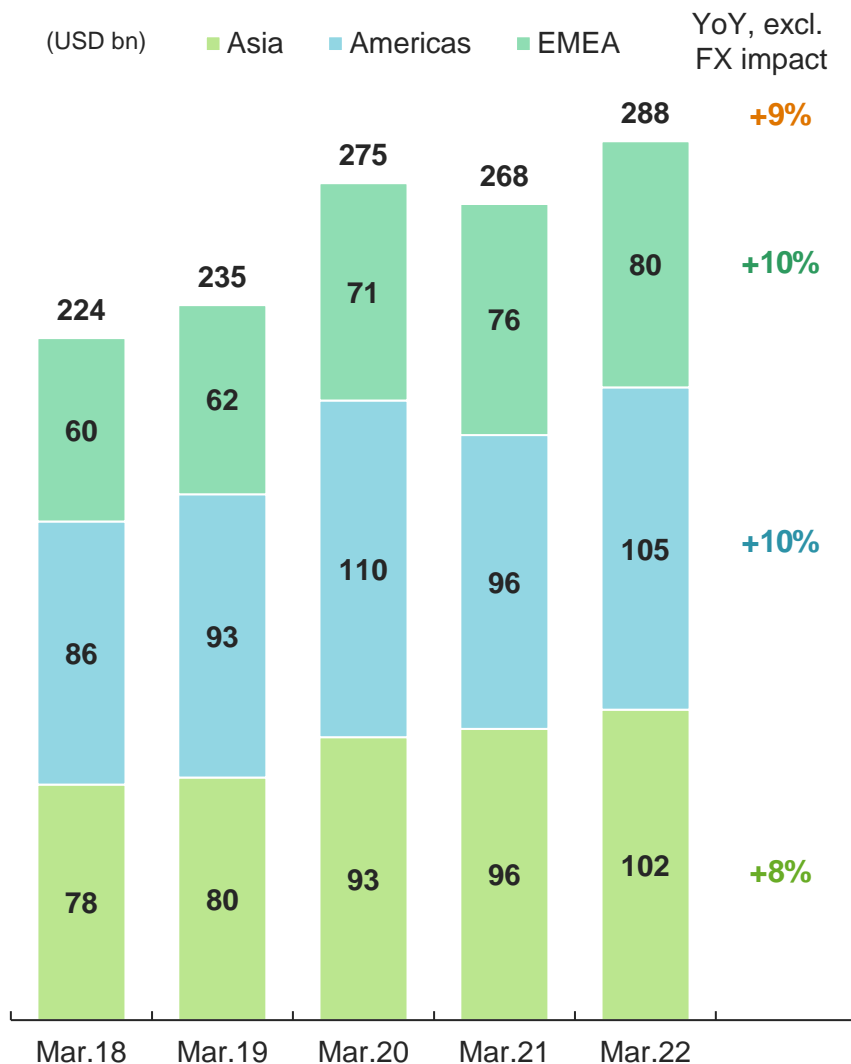
*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average, excluding loans to the Japanese government

Figures for SMEs are the outstanding balance of Corporate banking division

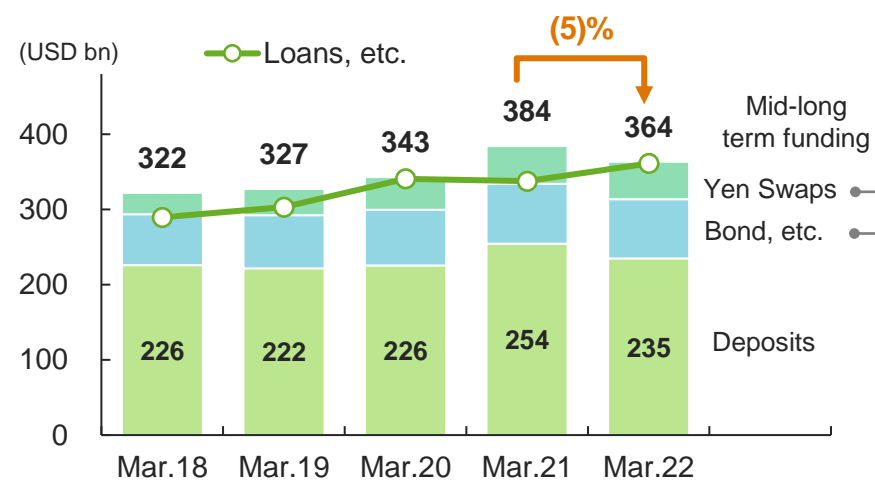
*4 Loan spread of existing loans, excluding loans to the Japanese government

Overseas loans and deposits*1

Loan balance



Foreign currency balance



Loan spread*2

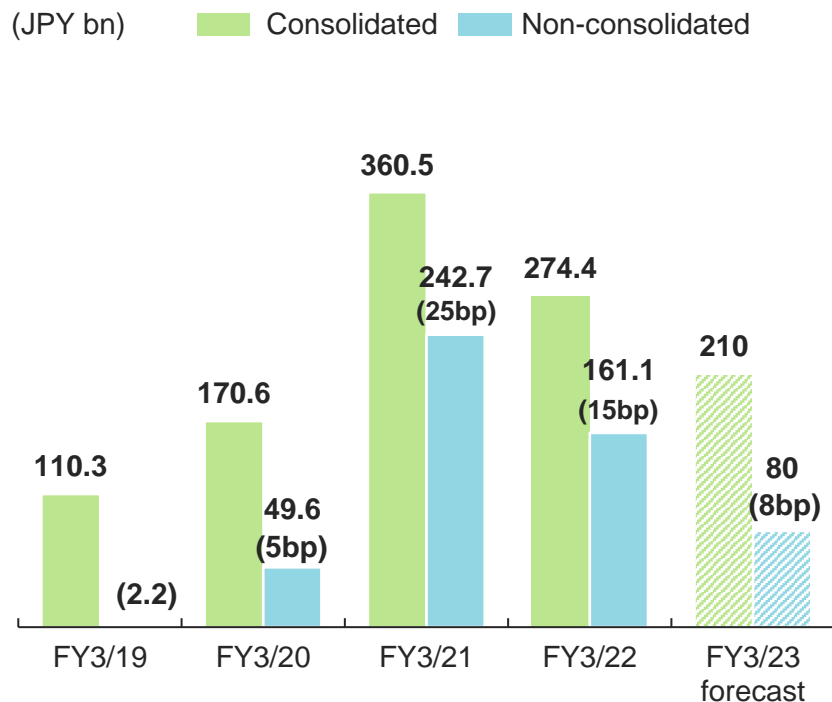


*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

*2 Monthly average loan spread of existing loans

Asset quality

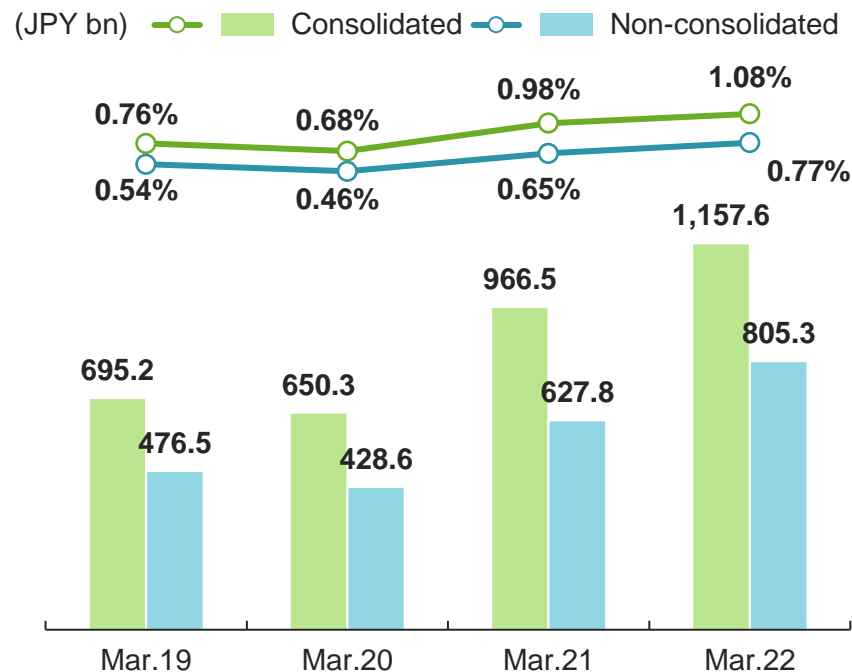
Credit costs^{*1}



Major group companies

	(JPY bn)	FY3/22	YoY
SMBCCF		48	(4)
SMCC		25	+3
Overseas banking subsidiaries		45	+8

Non-performing loan balance^{*2}



Total claims

	(JPY tn)		
Consolidated	96	99	107
Non-consolidated	93	96	104

Claims on borrowers requiring caution (excl. claims to substandard borrowers)			
Non-consolidated	0.9	1.9	1.9

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

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

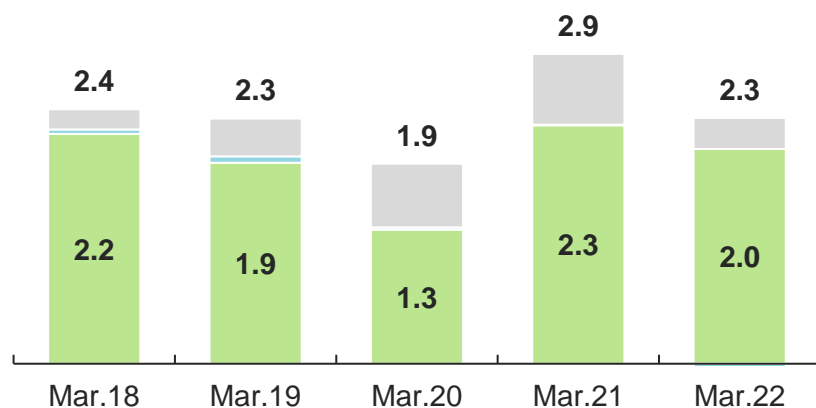
Securities (1)

Breakdown of other securities (consolidated)

	B/S amount		Unrealized gains (losses)	
	Mar.22	vs Mar.21	Mar.22	vs Mar.21
(JPY bn)				
Total	38,114.9	+1,703.7	2,277.2	(654.6)
Stocks (domestic)	3,403.4	(289.9)	2,033.7	(222.0)
Bonds (domestic)	19,560.3	+1,905.1	(50.1)	(58.1)
o/w JGBs	15,774.2	+1,480.6	(47.1)	(33.0)
Others	15,151.2	+88.5	293.6	(374.5)
o/w Foreign bonds	12,055.6	(54.4)	(448.8)	(450.1)

Unrealized gains

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

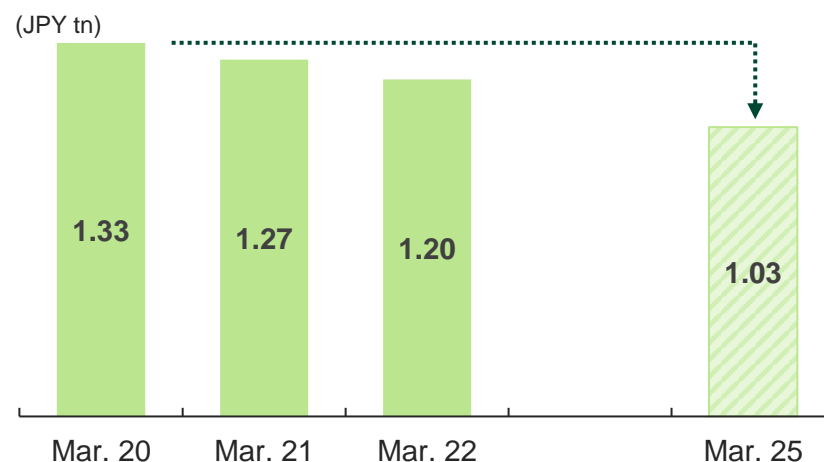


Strategic shareholdings

Total reduction	JPY 122 bn
FY3/21	JPY 55 bn
FY3/22	JPY 67 bn
Consent of sales from clients outstanding	JPY 58 bn
Reduction + Consent	JPY 181 bn

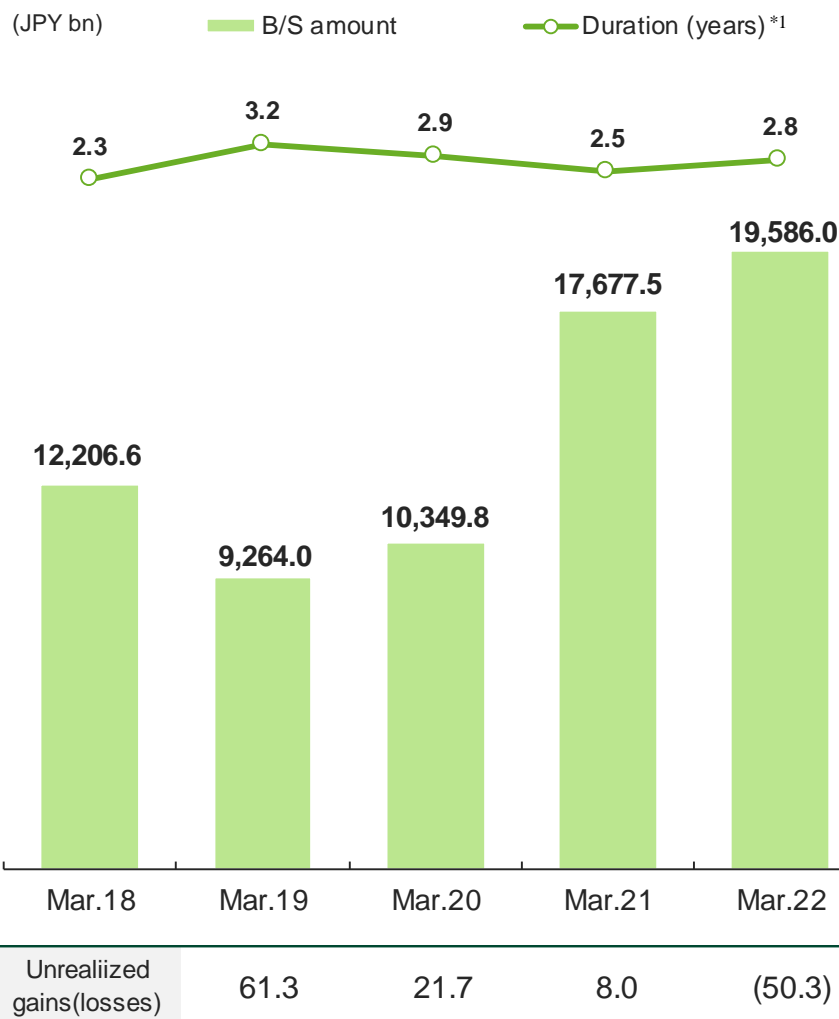
Reduction plan

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

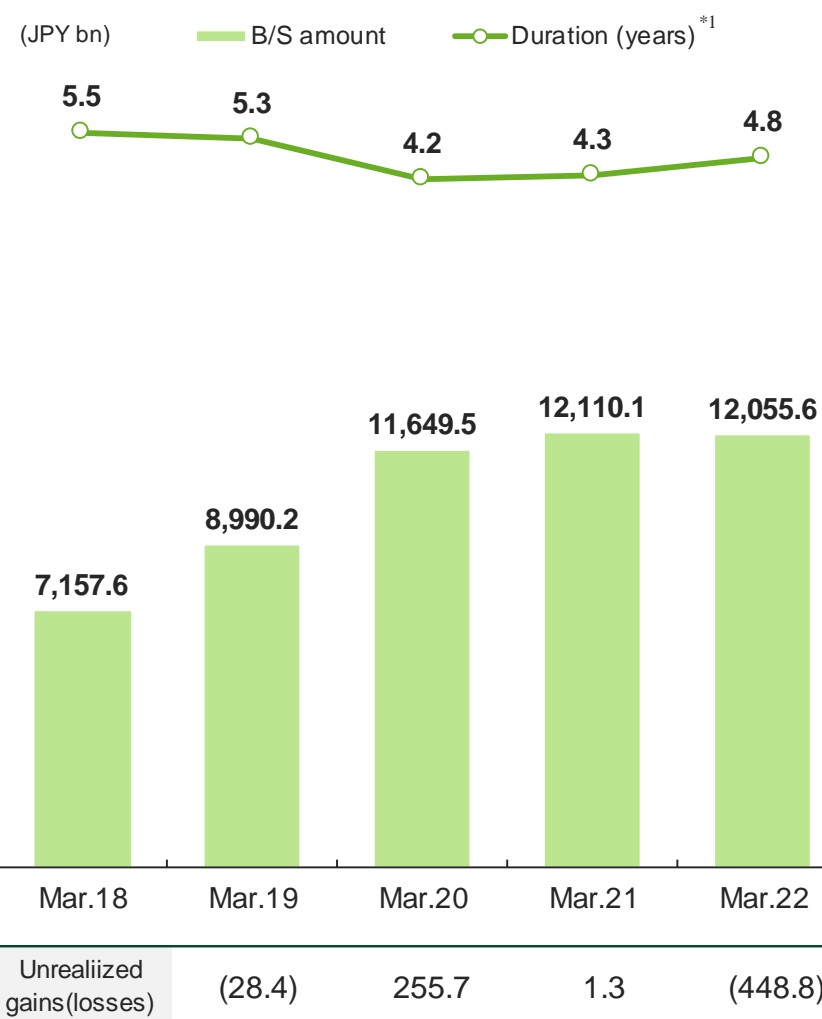


Securities (2)

Yen-denominated bonds (consolidated)



Foreign bonds (consolidated)



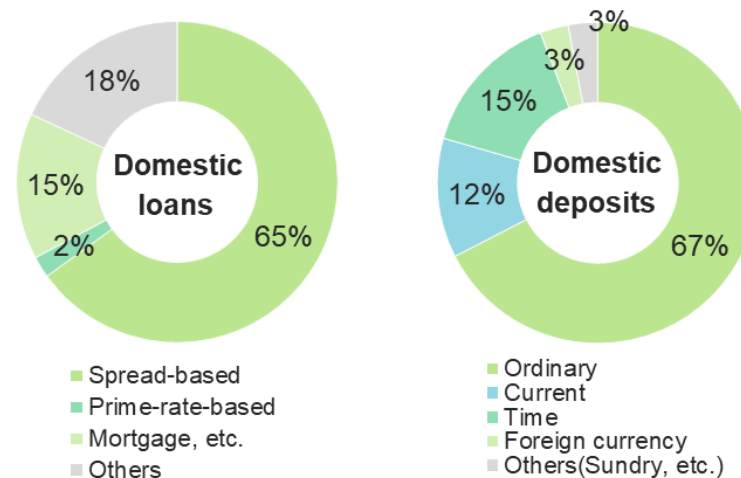
*1 Non-consolidated. Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero

Balance Sheet

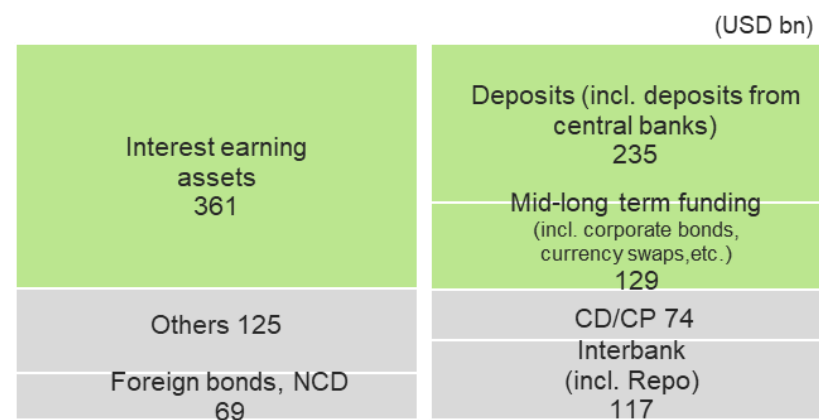
Consolidated

	(JPY tn)	Mar.22	vs. Mar.21
Total assets		257.7	+15.1
o/w Cash and due from banks		74.8	+2.2
o/w BOJ's current account balance ^{*1}		58.6	(1.2)
o/w Loans		90.8	+5.7
o/w Domestic loans ^{*1}		58.0	+1.1
o/w Large corporations ^{*2}		19.2	(0.2)
うち Mid-sized corporations & SMEs ^{*2}		19.6	+0.5
うち Individuals ^{*2}		11.9	(0.2) ^{*3}
o/w Securities		38.5	+2.0
o/w Other securities		38.1	+1.7
o/w Stocks		3.4	(0.3)
うち JGBs		15.8	+1.5
うち Foreign bonds		12.1	(0.1)
Total liabilities		245.5	+14.8
o/w Deposits		148.6	+6.6
o/w Domestic deposits ^{*1}		118.7	+6.0
Individuals		56.1	+2.7
Corporates		62.6	+3.3
o/w NCD		13.1	+0.5
Total net assets		12.2	+0.3
Loan to deposit ratio		56.2%	

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



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



Assets / Liabilities 555

^{*1} Non-consolidated ^{*2} Managerial accounting basis ^{*3} After adding back the portion of housing loans securitized in FY3/22 of JPY124.0 bn ^{*4} Sum of SMBC and major local subsidiaries

Capital / RWA

	Mar.22	Requirement*1
Capital ratio		
Total capital ratio	16.56%	11.5%
CET1 ratio (Basel III fully-loaded basis)	14.45%	8%
excl. net unrealized gains on other securities	12.1%	-
CET1 ratio (Post-Basel III reforms)	11.2%	8%
excl. net unrealized gains on other securities	10.0%	-
External TLAC ratio		
RWA basis	24.98%	18.0%
Leverage exposure basis	9.54%	6.75%
Leverage ratio	5.17%	3%
LCR (Average 4Q FY3/22)	141.7%	100%

(JPY bn)	Mar.21	Mar.22
Total capital	12,289.3	11,983.8
Tier1 capital	11,199.3	11,186.2
o/w CET1 capital	10,562.8	10,458.4
Tier2 capital	1,090.0	797.5
External TLAC	19,373.3	20,628.1
Risk-weighted assets	66,008.0	72,350.1
Leverage exposure	198,170.8	216,080.4

*1 Excluding countercyclical buffer

Results by Business Unit

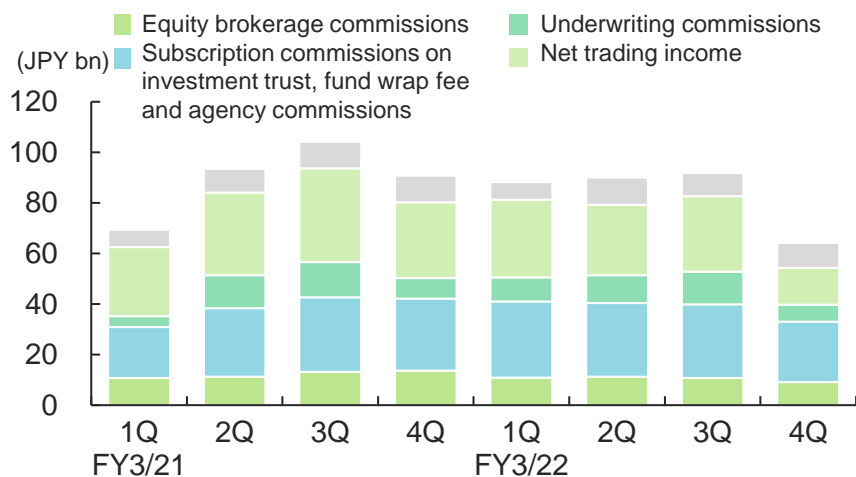
(JPY bn)		FY3/21	FY3/22	YoY*1
Retail	Gross profit	1,127.4	1,146.9	+16.1
	Expenses	910.4	935.5	+21.4
	Overhead Ratio	80.8%	81.6%	+0.7%
	Net business profit	219.2	214.9	(4.6)
Wholesale	Gross profit	634.9	707.5	+50.5
	Expenses	299.9	303.6	+5.1
	Overhead Ratio	47.2%	42.9%	(2.5)%
	Net business profit	388.5	469.7	+58.4
Global	Gross profit	723.7	872.0	+72.4
	Expenses	383.3	461.3	+42.8
	Overhead Ratio	53.0%	52.9%	+0.6%
	Net business profit	366.7	431.2	+22.8
Global Markets	Gross profit	460.7	390.6	(71.2)
	Expenses	82.9	92.3	+5.2
	Overhead Ratio	18.0%	23.6%	+4.8%
	Net business profit	413.5	338.1	(72.3)

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

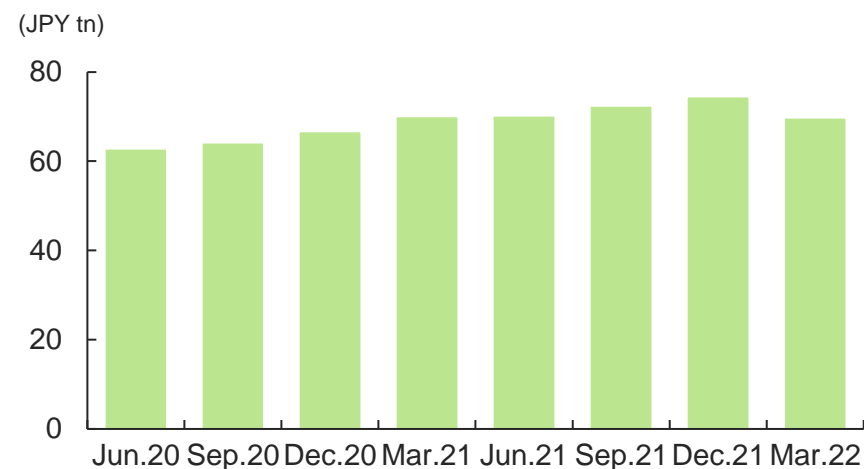
Financial results

(JPY bn)	FY3/21	FY3/22	YoY
Net operating revenue	357.9	334.2	(23.7)
SG&A expenses	273.4	275.4	+2.0
Ordinary income	90.7	65.3	(25.4)
Net income	71.7	49.7	(22.0)

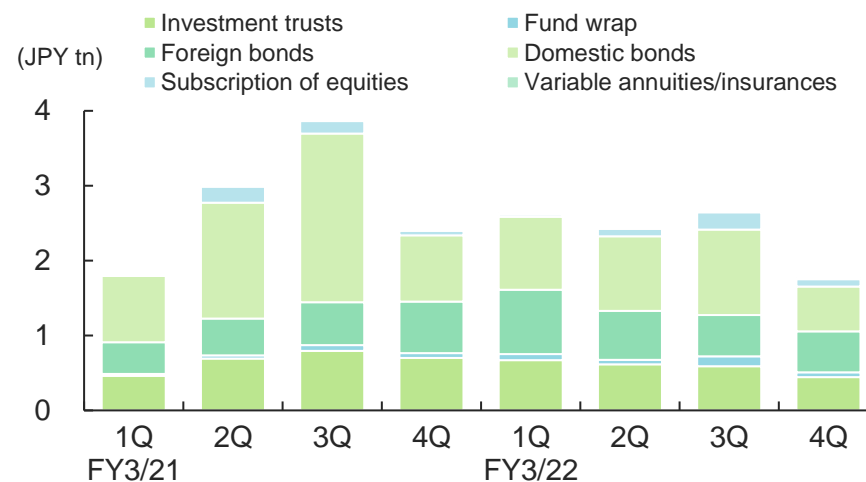
Net operating revenue



Client assets



Product sales

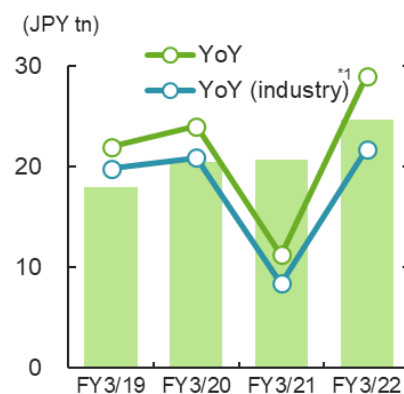


Financial results

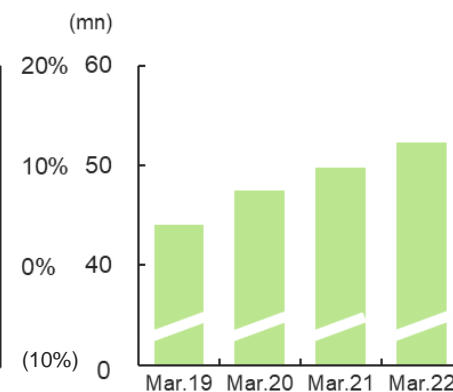
(JPY bn)	FY3/21	FY3/22	YoY
Operating revenue	447.5	470.5	+23.1
o/w Commission fee	143.7	164.0	+20.3
Finance	101.5	98.2	(3.3)
Sales on credit	32.3	29.5	(2.9)
Receipt agency	48.1	50.1	+2.0
Operating expense	413.0	439.5	+26.5
o/w Expenses for loan losses	22.7	25.6	+2.9
Expense for interest repayments	14.4	10.0	(4.4)
Ordinary profit (loss)	35.3	34.1	(1.1)
Net income	35.8	19.8	(16.0)
Finance outstanding	667.5	677.9	

Key figures

Sales handled

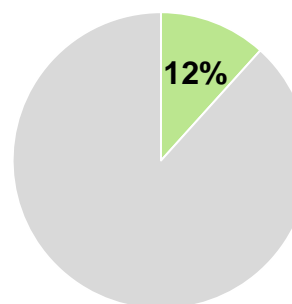


of card holders

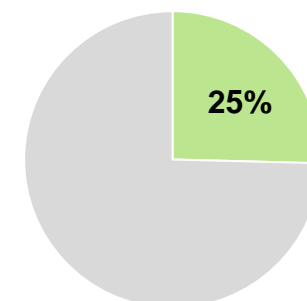


Market share^{*2}

Issuing



Acquiring



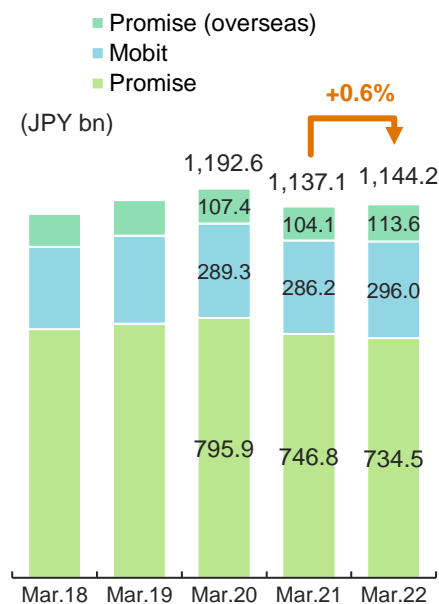
*1 The Japan Consumer Credit Association "Credit card behavior investigation" Shopping credit amount

*2 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2021 : JPY 68 tn)

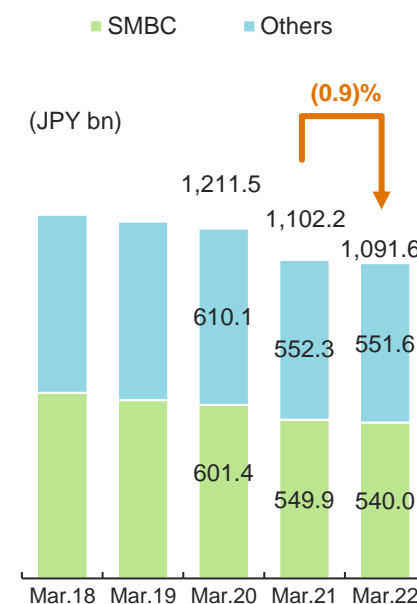
Financial results

(JPY bn)	FY3/21	FY3/22	YoY
Operating income	273.5	268.9	(4.6)
o/w Interest revenues	178.8	176.7	(2.1)
Loan guarantee revenues	61.1	57.1	(4.0)
Operating expenses	200.8	200.5	(0.3)
o/w Expenses for loan losses	53.3	48.7	(4.6)
Expense for loan guarantees	9.9	10.8	+0.9
Expenses for interest repayments	24.0	22.0	(2.0)
Ordinary profit	73.5	68.6	(4.9)
Net income	54.1	85.2	+31.1
NPLs	85.2	96.1	
(NPL ratio)	7.49%	8.40%	
Allowance on interest repayments (provision)	100.8	95.9	
	3.4 yrs	3.5 yrs	

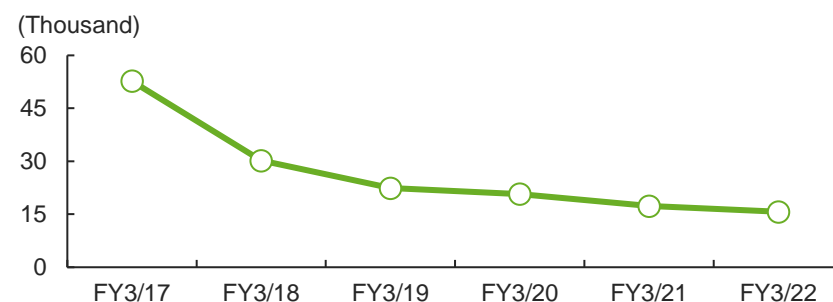
Consumer loans



Loan guarantee



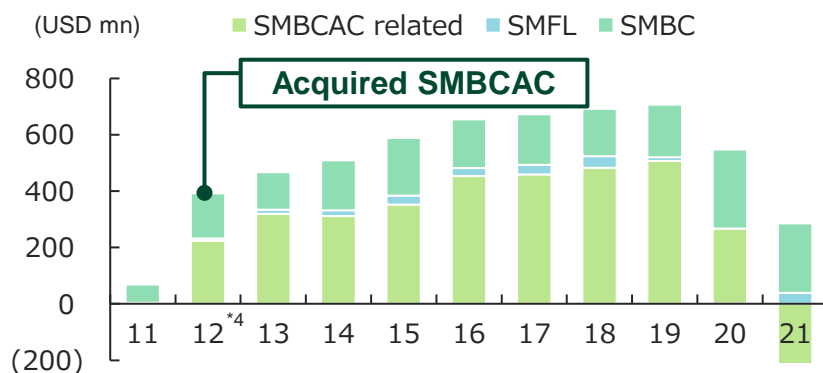
No. of interest refund claims



Financial results

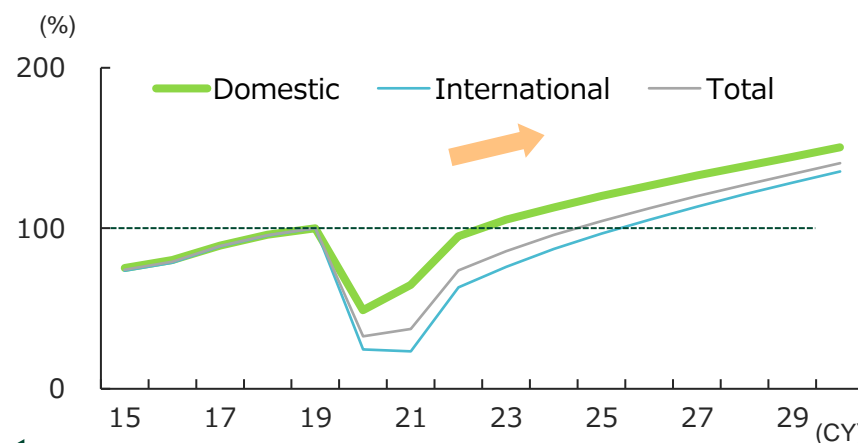
(USD mn)	FY3/21	FY3/22	YOY
Total revenue	1,214	1,479	+265
o/w Lease revenue	1,119	1,366	+247
Credit / Asset impairment charges^{*1}	334	907	(573)
Net income	17	(283)	(300)
Aircraft asset^{*2}	15,340	16,210	+870
Net asset	3,305	3,322	+17
ROE	0.5%	(8.5)%	(9.0)%

Aircraft business of SMBC Group



Global passenger demand forecast^{*3}

- Domestic demand is expected to recover in 2023



Our Strengths

Aircraft portfolio	Wide body (A350 · B787)	Avg. age 4.2 years
	Narrow body Over 80%	Fuel efficient ^{*5} Approx. 60%
Liquidity	Fitch rating A — No.1 in Industry	Undrawn commitment lines USD 3.1 bn

^{*1} Gross before netting guarantee deposits etc.

^{*2} Include aircraft pre-delivery payments ^{*3} IATA / Tourism Economics. Represents changes from CY19.

^{*4} SMBCAC related includes revenue after the acquisition in June ^{*5} Neo/MAX/A350/B787