

Investors Meeting FY3/2022

May 19, 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

Agenda

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I. Financial Results

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 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

(Ref.) FY3/23 target*1

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

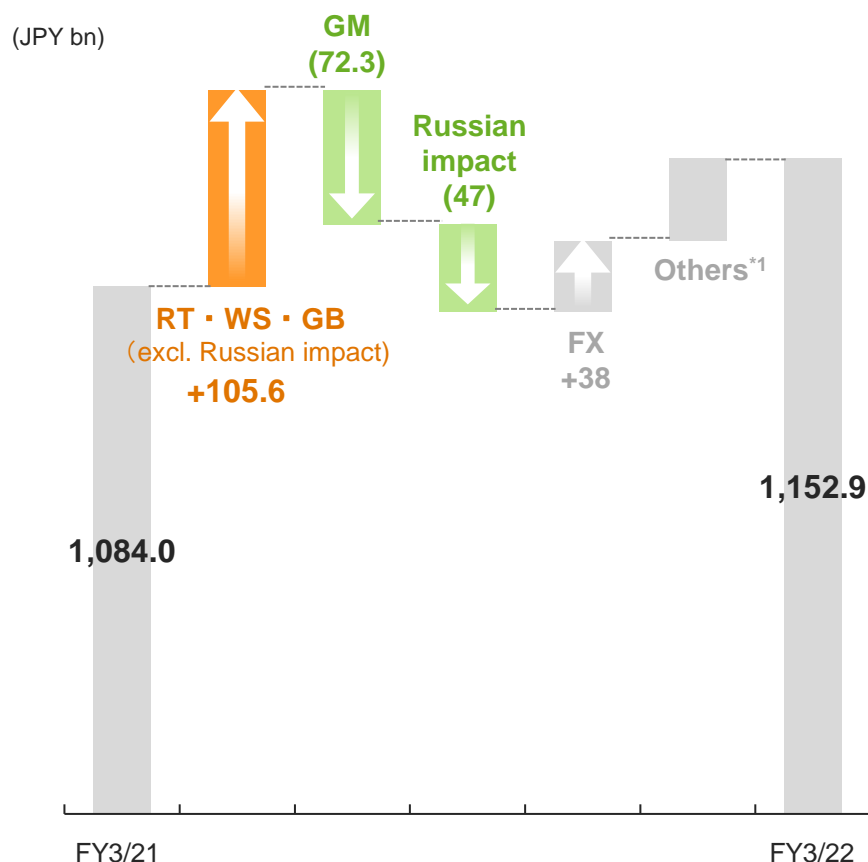
(JPY bn)	Results	Target	
	FY3/22	FY3/23	1H
Banking profit	721.9	730	370
Total credit cost	161.1	80	40
Ordinary profit	746.0	710	360
Net income	546.3	490	260

*1 Assumption: USD 1 = JPY 120

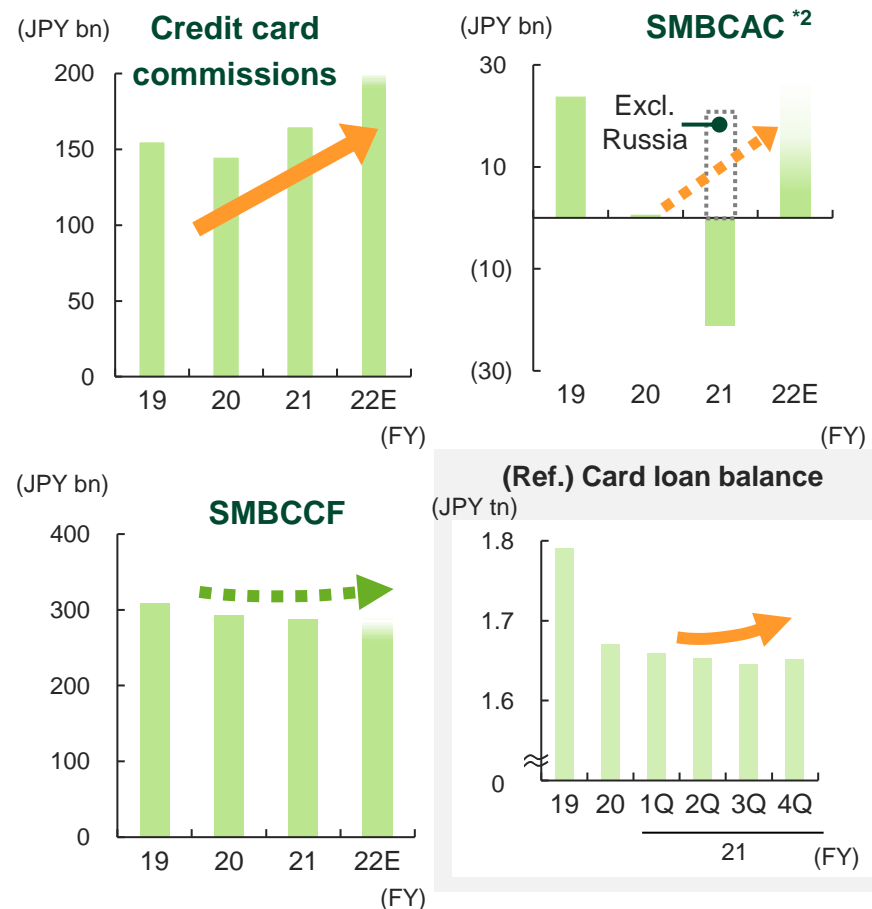
Consolidated net business profit

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.
- Upside and downside volatility remains

Upside

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

Downside

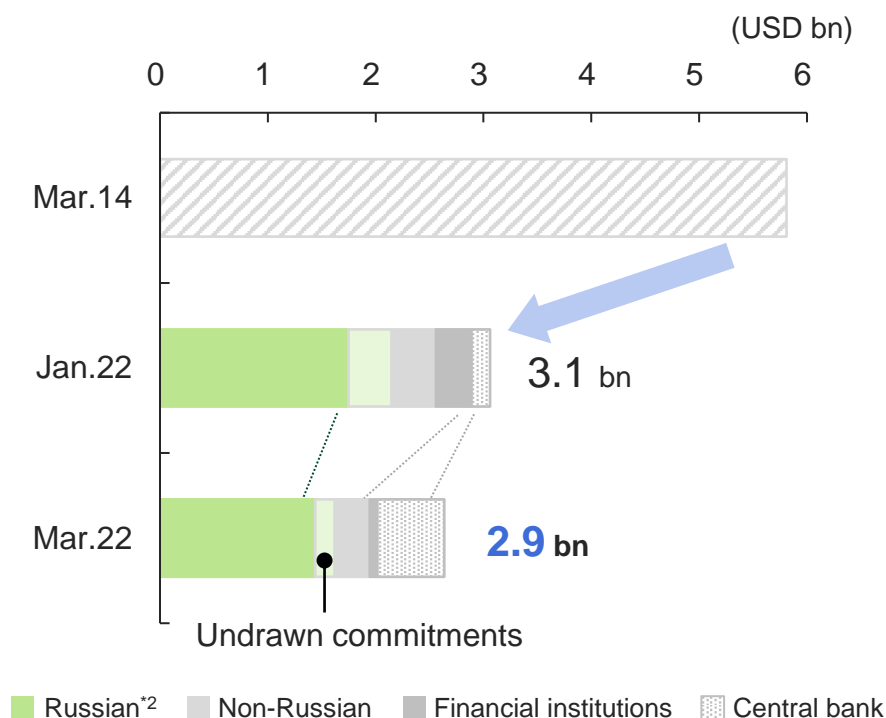
- ✓ Additional impairment for aircraft (max. USD 460 mn*1)
- ✓ Additional credit cost
- ✓ Expropriation of Russian local subsidiary

*1 After considering tax and ownership ratio

(Ref.) SMBC Group's update on Russia

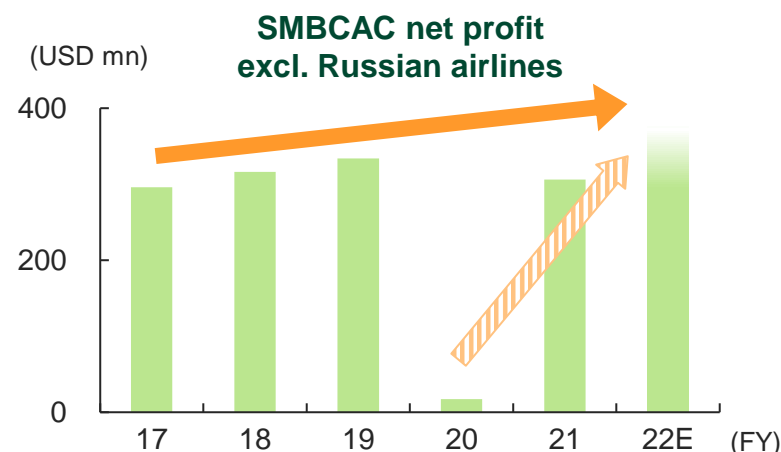
Banking business (incl. local subsidiary) ^{*1}

- 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.

SMBCAC's acquisition of Goshawk

Acquire 100% equity stake in Goshawk for approx. USD 1.5 bn (PBR0.95x) excl. Russia.
Expect SMBCAC to increase bottom-line profit to USD 700 mn in 5 years after the acquisition.

Rationale of the acquisition

1 Capture market growth with advantage of scale

of aircraft^{*1}
750+ → 1,000
4th → 2nd largest

NBV of aircraft
USD16bn → 22bn

2 Maintain high quality portfolio focusing on narrowbody aircraft

Narrowbody
approx. 80%

New Tech.
approx. 60%

Ave. age
4.4yrs

3 Enhance asset light business

Aircraft fund

JOL

ABS

Investment criteria

Strategy

- Acquire large amount of high quality aircraft under growing market

Profitability^{*2}

- Exceed ROCET1 hurdle rate from Year 1
- No impact on CET1 ratio

Risk management

- Exclude aircraft leased to Russia
- Goshawks' asset investment strategy closely aligned with SMBCAC's

*1 Including managed and ordered aircraft

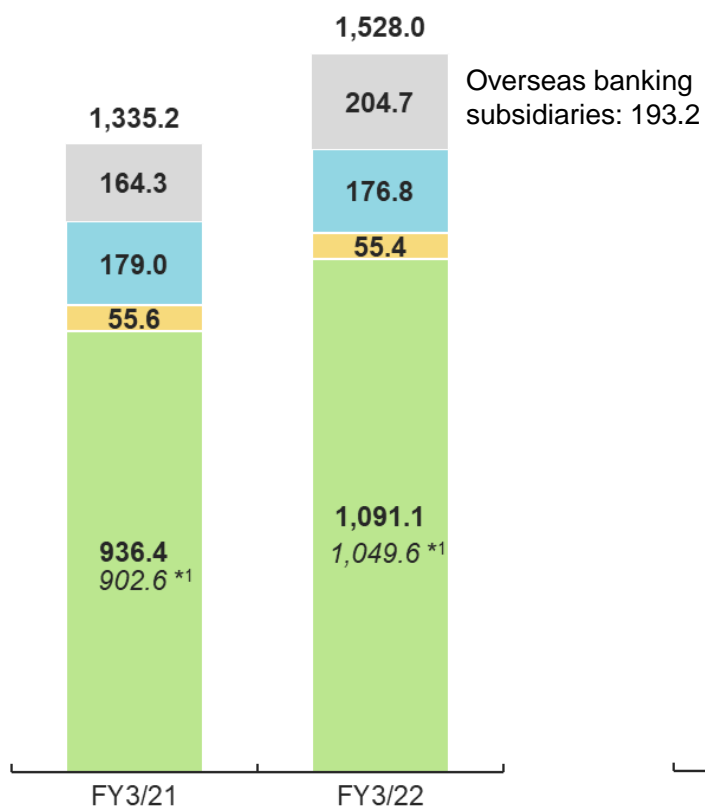
*2 Financial impact to SMFG

Consolidated gross profit

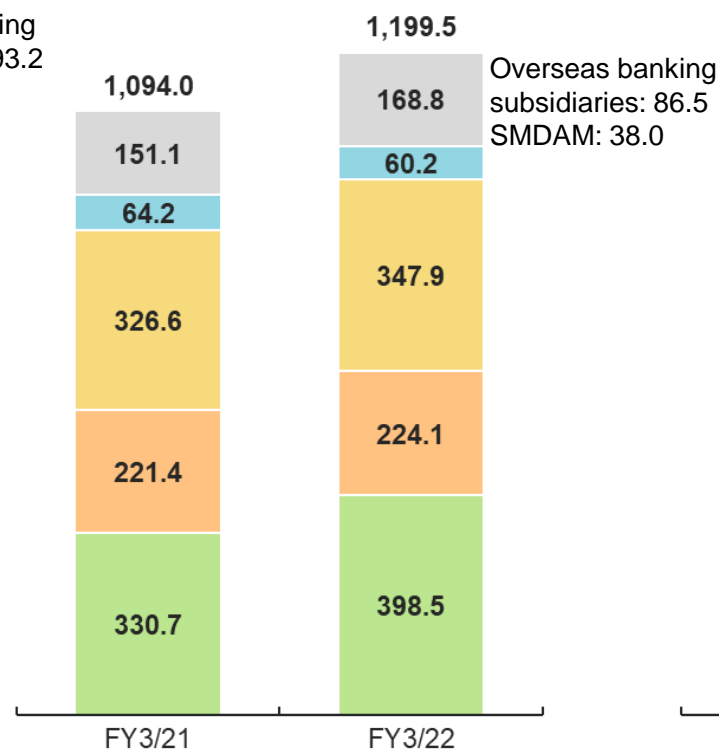
■ SMBC ■ SMBC Nikko ■ SMCC ■ SMBCCF ■ Others

Net interest income

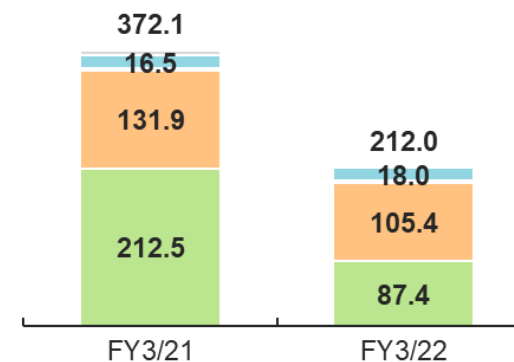
(JPY bn)



Net fees and commissions



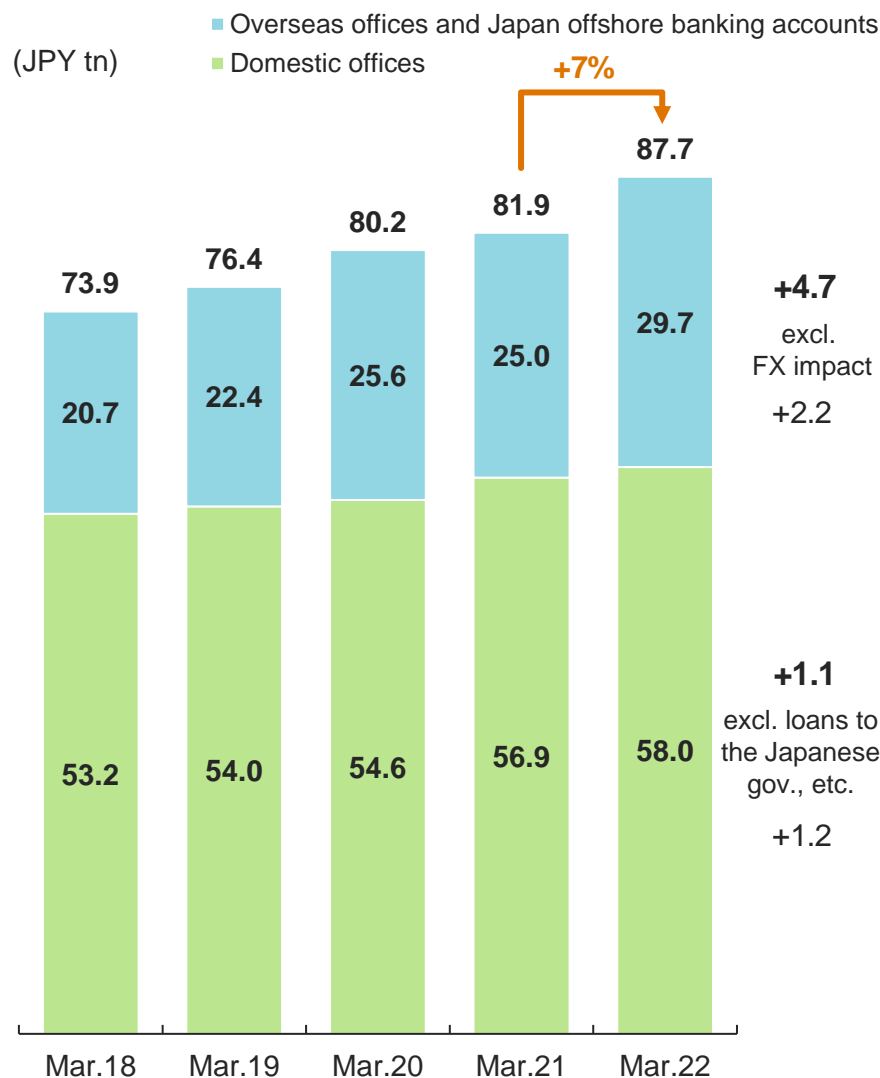
Net trading income + Net other operating income



*1 Excluding gains on cancellation of investment trusts

Loans*1

Loan balance



Domestic loan-to-deposit spread

	FY3/22	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

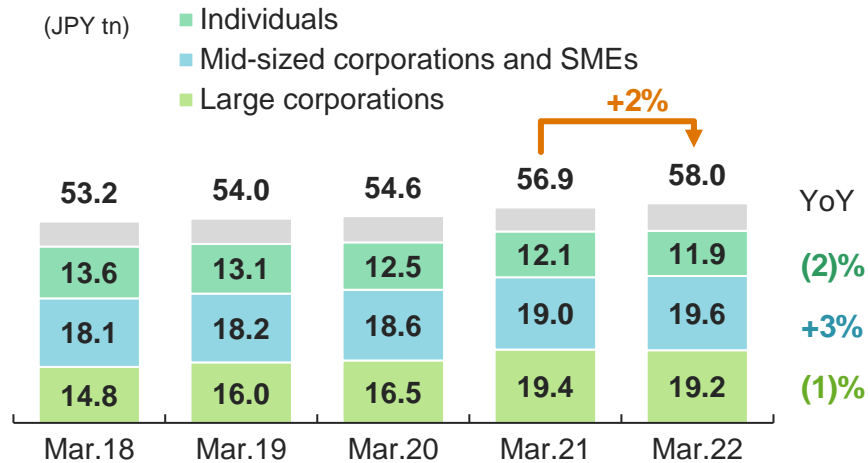
*1 Non-consolidated *2 Managerial accounting basis

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

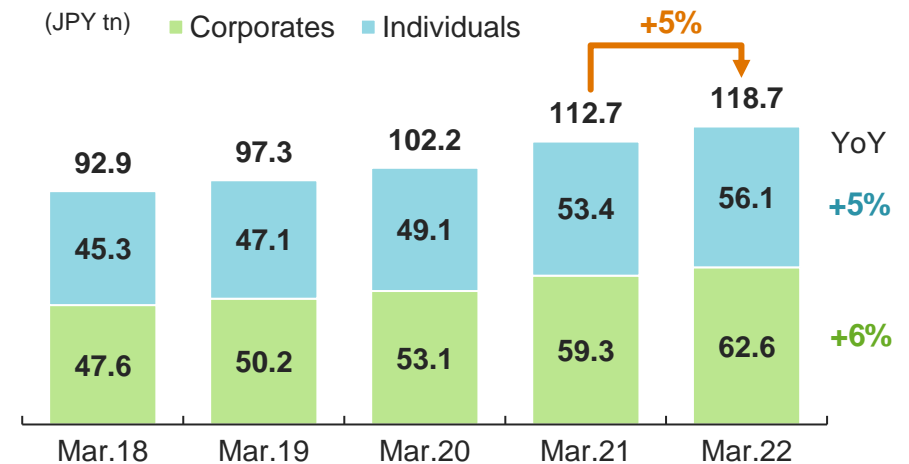
*4 After adjustments for exchange rates, etc.

Domestic Deposit and Loan*1

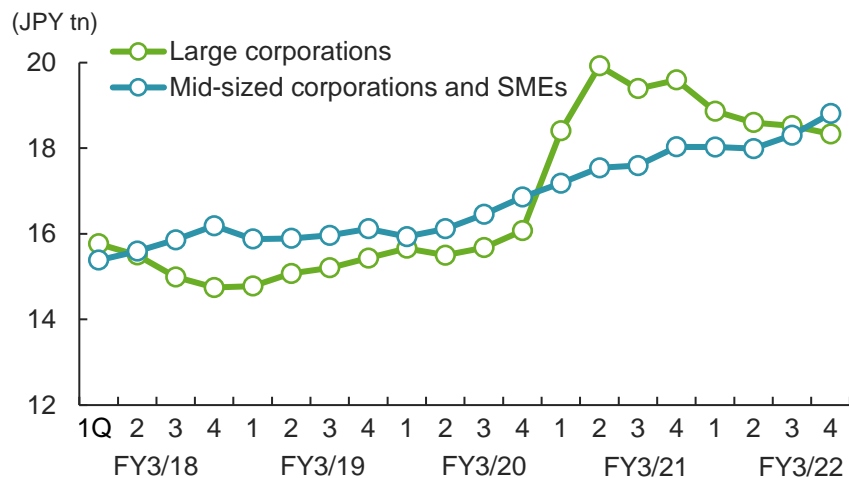
Loan balance*2



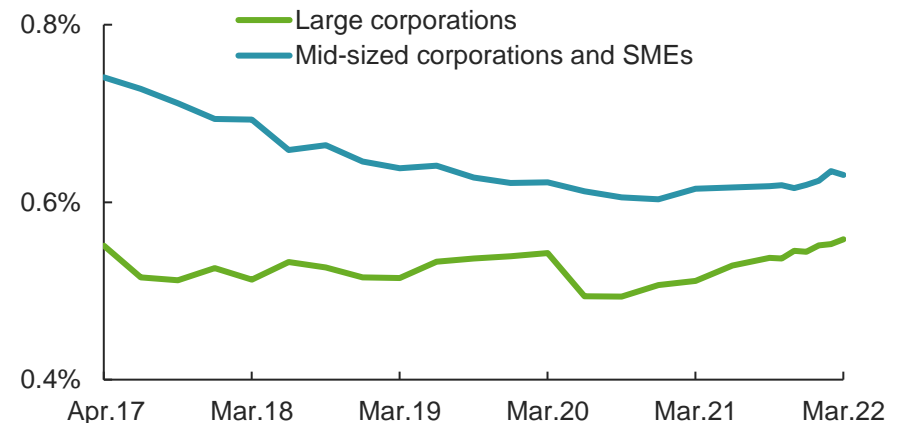
Deposit balance



Loan average balance for corporates*2,3



Loan spread for corporates*2,4



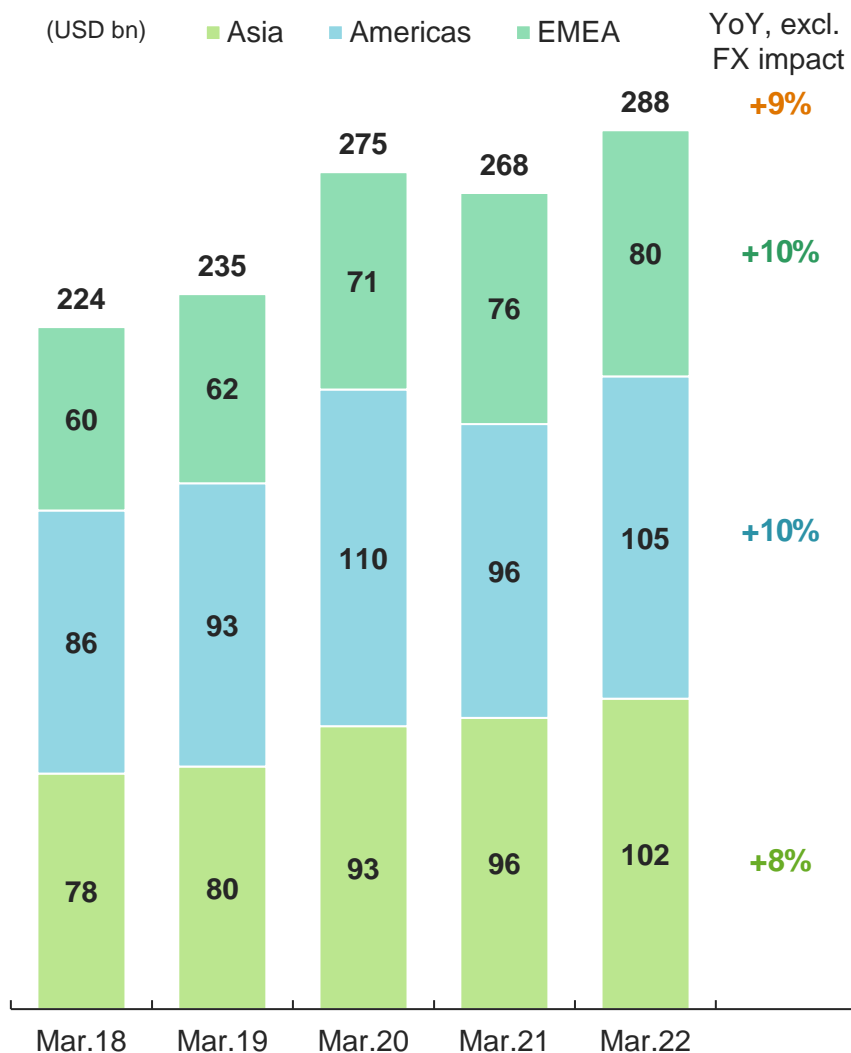
*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average, excluding loans to the Japanese government

Figures for SMEs are the outstanding balance of Corporate banking division

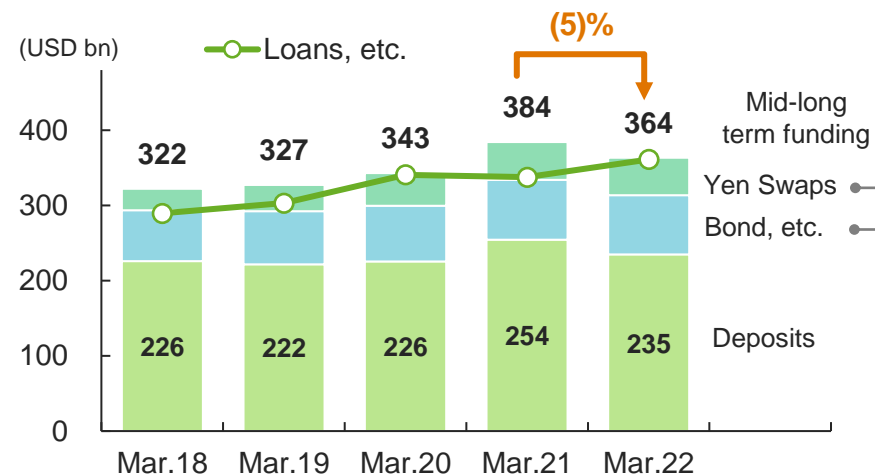
*4 Loan spread of existing loans, excluding loans to the Japanese government

Overseas loans and deposits*1

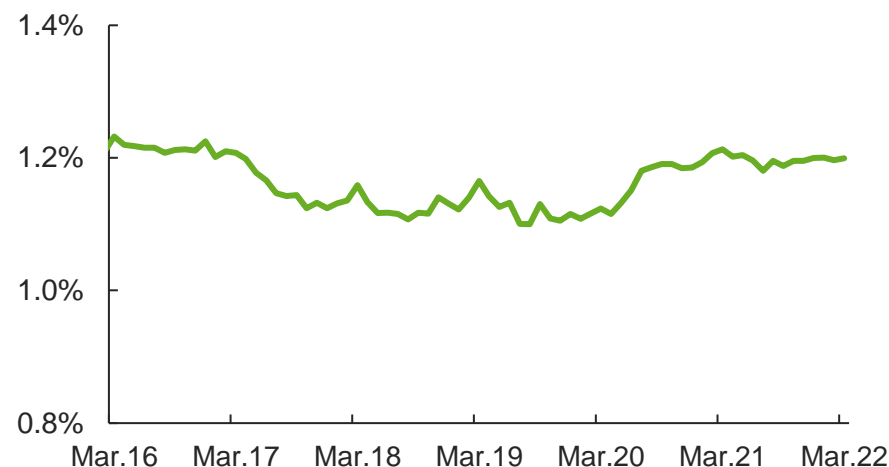
Loan balance



Foreign currency balance



Loan spread*2

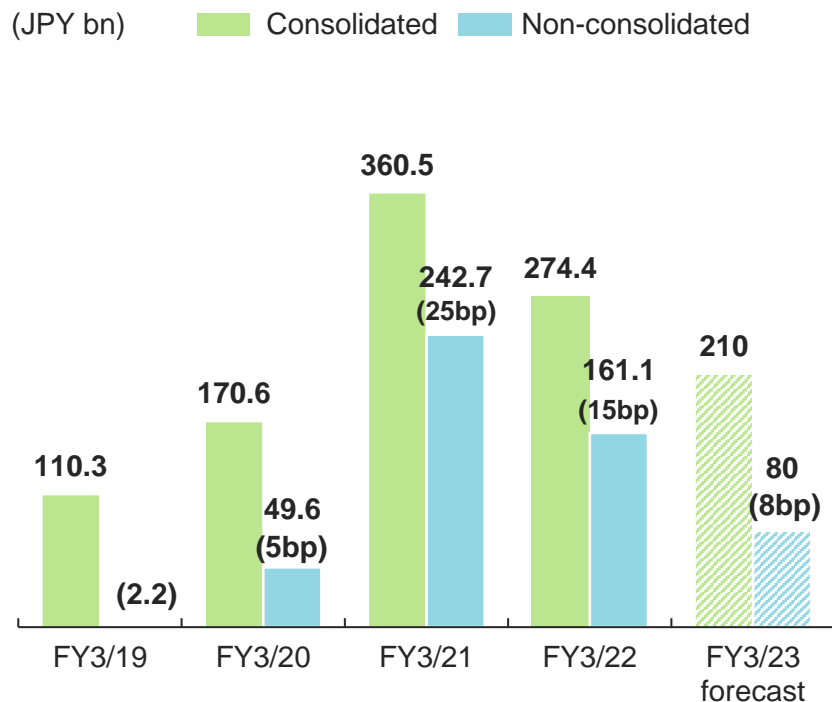


*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

*2 Monthly average loan spread of existing loans

Asset quality

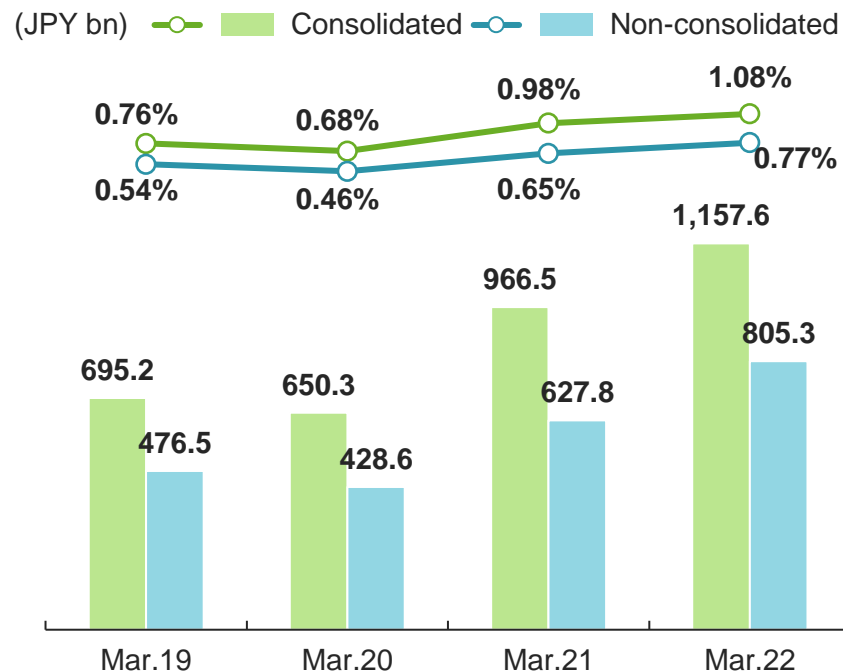
Credit costs^{*1}



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

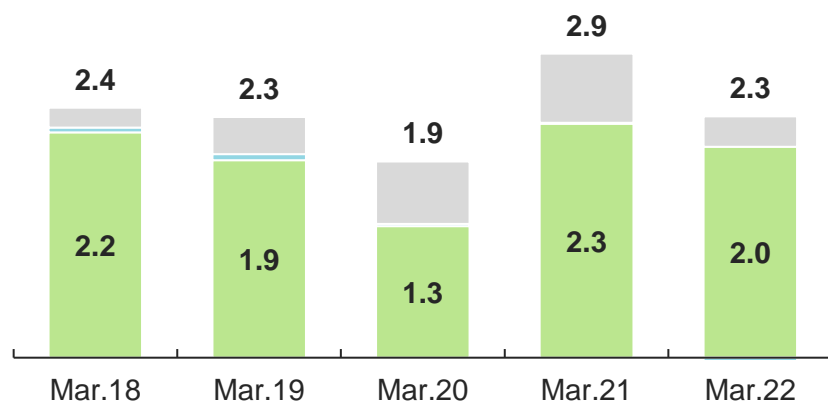
Securities (1)

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

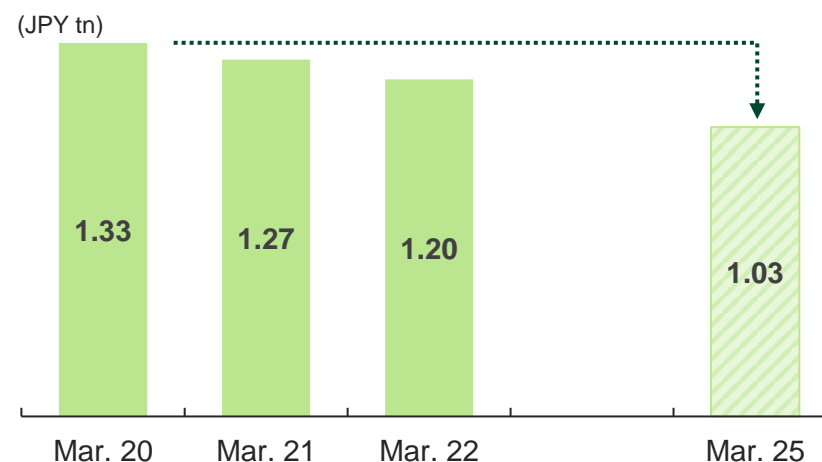


Strategic shareholdings

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

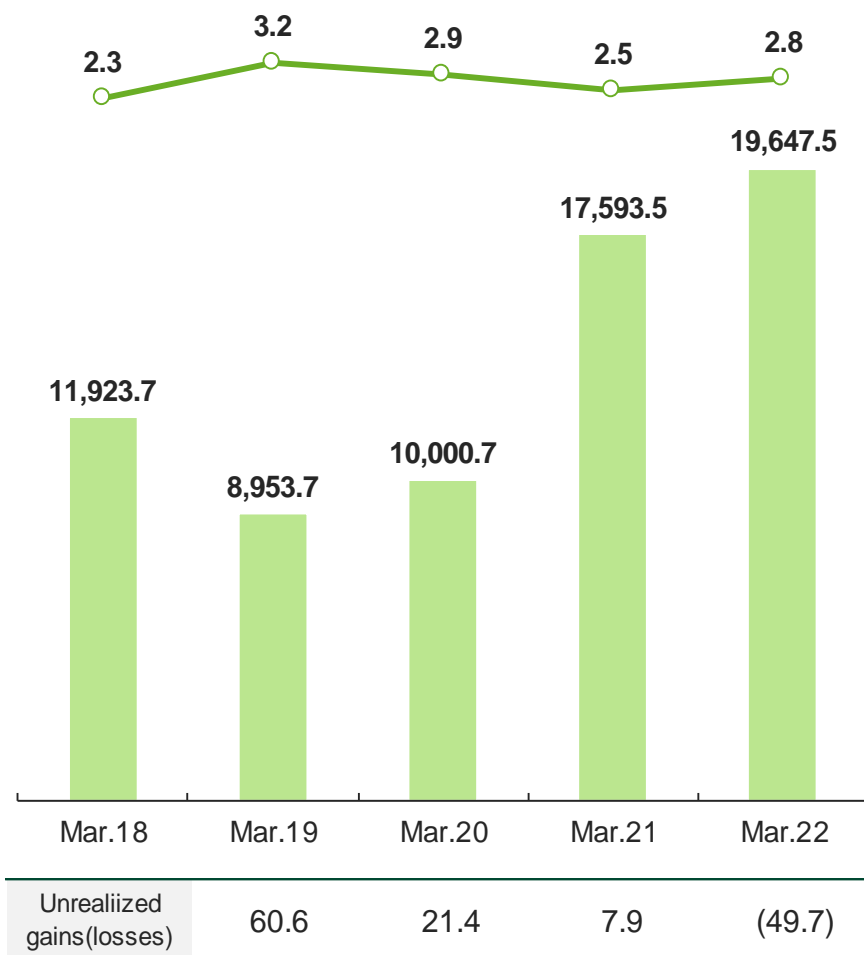
Reduce JPY 300 bn in 5 years (FY3/21-FY3/25)



Securities (2)

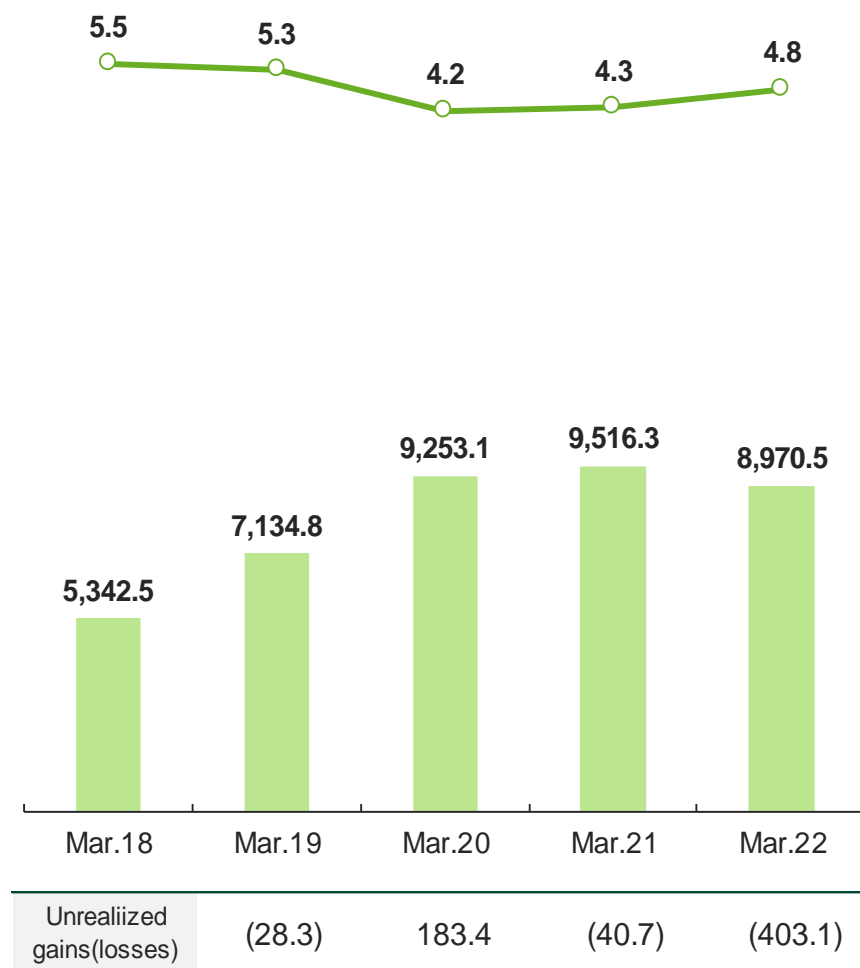
Yen-denominated bonds (Non-consolidated)

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



Foreign bonds (Non-consolidated)

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



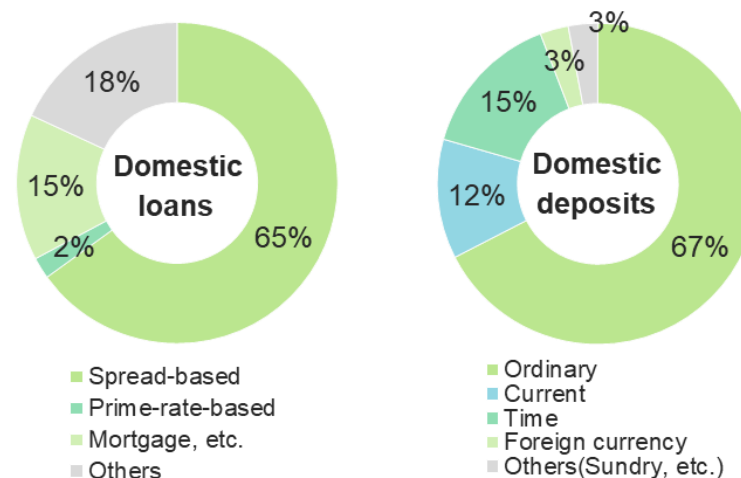
^{*1} Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero

Balance Sheet

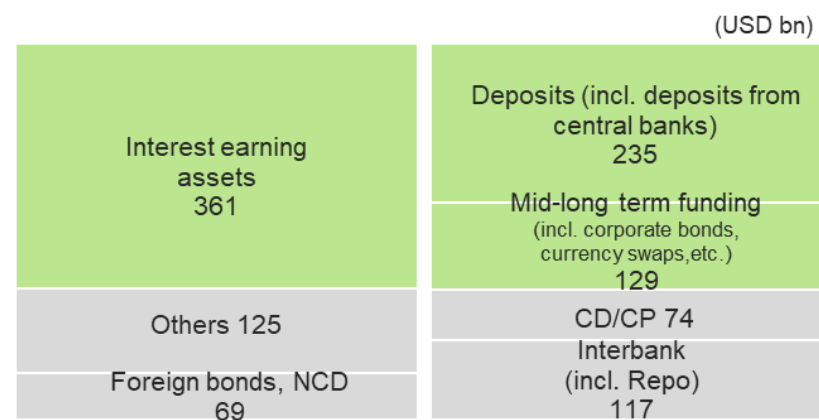
Consolidated

	(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)
⁵⁵ Mid-sized corporations & SMEs ^{*2}		19.6	+0.5
⁵⁵ Individuals ^{*2}		11.9	(0.2)
o/w Securities		38.5	+2.0
o/w Other securities		38.1	+1.7
o/w Stocks		3.4	(0.3)
⁵⁵ JGBs		15.8	+1.5
⁵⁵ 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}



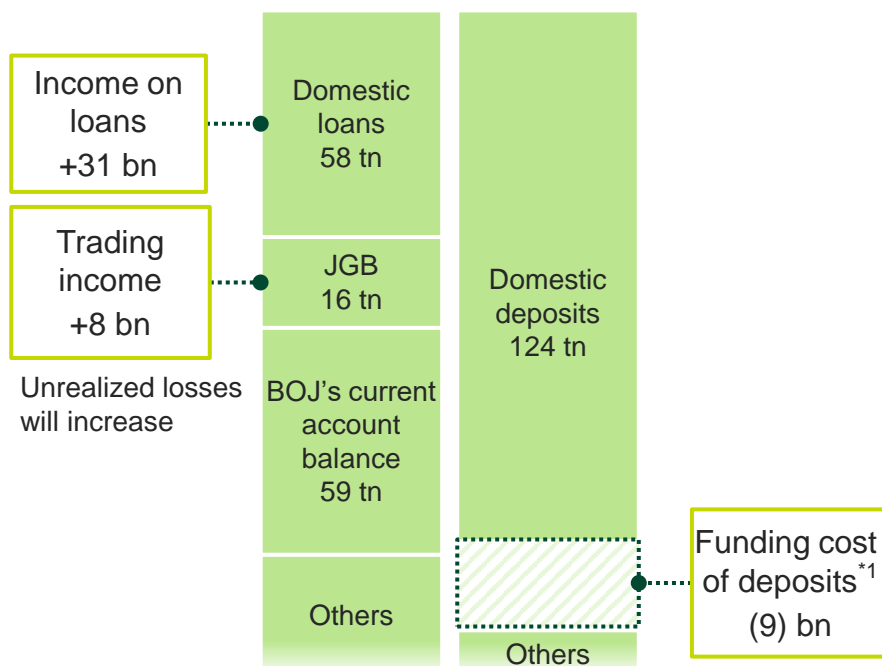
Assets / Liabilities 555

*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

(Ref.) Impact from rise of interest rate –non-consolidated–

JPY

Annual impact on major items



<Simulation scenario>

- Interest rate: policy rate from (0.1)% to 0%
- Interest on BOJ's basic balance: unchanged at 0.10%

Foreign currency

Loan/deposit

- Impact is basically neutral
(Most of the loans / deposits are based on market rate)
- A few deposits have low sensitivity to interest rate

Foreign bonds

- Unrealized losses will increase when government bond yields rise
- Interest earnings on roll-overs improve while funding cost increases

(JPY bn)	Mar.21	Dec.21	Mar.22
Foreign bonds	9,516.3	9,335.6	8,970.5
Unrealized gains(losses)	(40.7)	(89.2)	(403.1)

*1 NCD, time deposits

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 (1)

Retail

	(JPY bn)	FY3/22	YoY ^{*1}
Gross profit		1,146.9	+16.1
Income on loans and deposits ^{*2}		116.2	(5.0)
Wealth management business		282.6	+1.2
Payment business		404.9	+18.8
Consumer finance business		288.1	(4.3)
Expenses		935.5	+21.4
Base expenses		738.5	(1.9)
Net business profit		214.9	(4.6)
ROCE ^{*3}		9.5%	(0.3)%
RWA (JPY tn)		12.7	+0.2

Wholesale

	(JPY bn)	FY3/22	YoY ^{*1}
Gross profit		707.5	+50.5
Income on loans and deposits		221.3	+5.4
FX and money transfer fees		128.1	+12.0
SMBC Loan syndication		45.1	(2.2)
Structured finance		23.0	+4.3
Real estate finance		14.4	+4.6
Securities business		58.2	(1.3)
Expenses		303.6	+5.1
Base expenses		296.6	+5.7
Net business profit		469.7	+58.4
ROCE ^{*4}		10.4%	+3.7%
RWA (JPY tn)		31.1	(0.1)

*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 mid-long-term funding costs

Results by Business Unit (2)

Global

(JPY bn)	FY3/22	YoY ^{*1}
Gross profit	872.0	+72.4
Income on loans and deposits	360.6	+40.2
Loan related fees	173.9	+35.4
Securities business	68.1	(19.2)
Expenses	461.3	+42.8
Base expenses	440.7	+35.8
Net business profit	431.2	+22.8
ROCET1 ^{*2}	6.9%	+1.0%
RWA (JPY tn)	40.9	+2.8

Global markets

(JPY bn)	FY3/22	YoY ^{*1}
Gross profit	390.6	(71.2)
SMBC's Treasury Unit	279.5	(46.4)
Expenses	92.3	+5.2
Base expenses	89.4	+5.5
Net business profit	338.1	(72.3)
ROCET1 ^{*3}	15.5%	(3.4)%
RWA (JPY tn)	5.8	(0.5)

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

*2 Excluding impact from mid-long term funding costs

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

Results by Business Unit (3)

	ROCET1 ^{*1,2}			Net Business Profit (JPY bn) ^{*2}			RWA (JPY tn) ^{*2}		
	FY3/22	YoY	FY3/23 target ^{*3}	FY3/22	YoY	FY3/23 target ^{*3}	FY3/22	vs. FY3/20	FY3/21-23 ^{*3}
Retail	9.5%	(0.3)%	12%	214.9	(4.6)	305	12.7	+0.2	+0.4
Wholesale	10.4%	+3.7%	9%	469.7	+58.4	405	31.1	+2.7	+1.1
Global	6.9%	+1.0%	9%	431.2	+22.8	430	40.9	+2.7	+2.5
Global markets	15.5%	(3.4)%	17%	338.1	(72.3)	365	5.8	(0.2)	+1.7

*1 Excl. impact from the provision for losses on interest repayments for Retail
Excl. the impact from the medium- to long-term foreign currency funding costs for Wholesale and Global
Incl. impact from the interest-rate risk associated to the banking account for Global Markets

*2 Results and YoY are managerial accounting basis of FY3/22

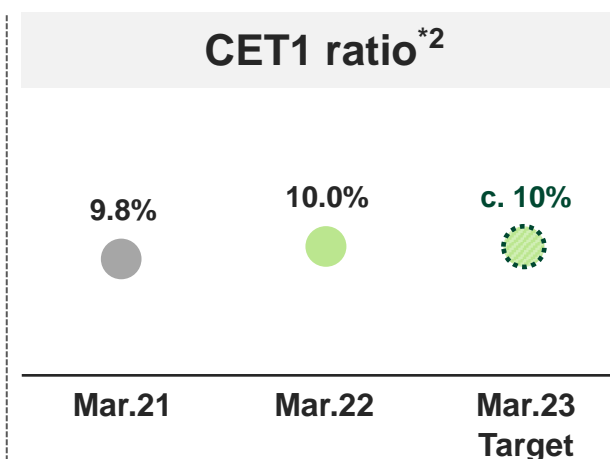
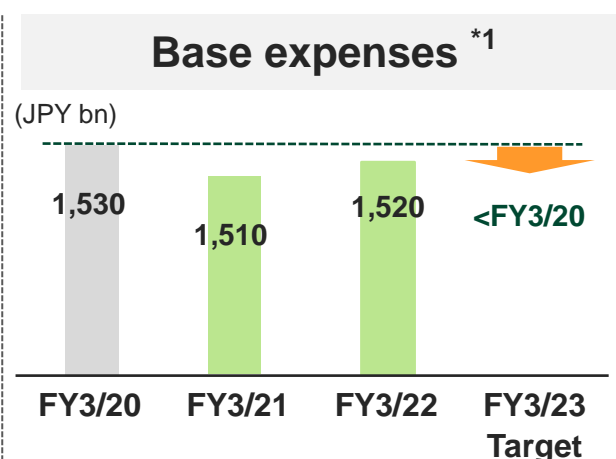
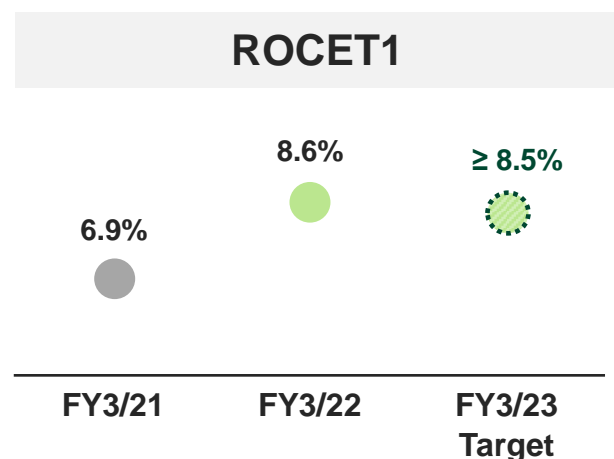
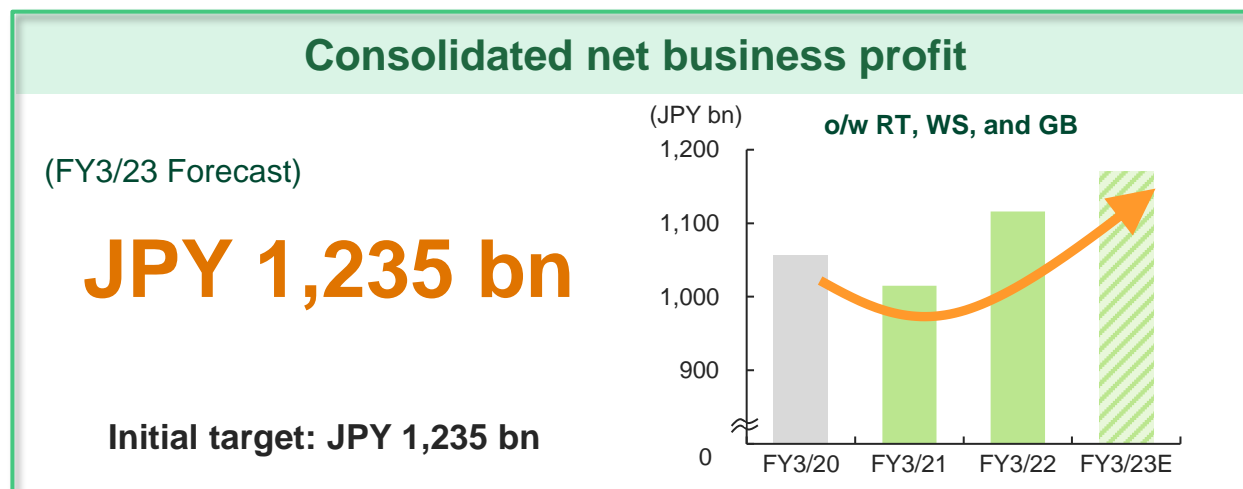
After adjustments of the changes of interest rates and exchange rates *3 Managerial accounting basis of FY3/21



II. Aim for growth with quality

Progress of Medium-Term Management Plan

The targets of both consolidated net business profit and bottom-line profit of FY3/23 are at the same level as initially set for the final year of the Medium-Term Management Plan.



^{*1} G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others
Fixed Exchange rate at USD1=JPY105

^{*2} Post-Basel III reforms basis, excludes net unrealized gains on other securities

Expand franchise in Asia

Established Asia Business Development Division to accelerate PMI and growth strategies of investees.
Pursue upsides by realizing synergies within the Group in addition to recovery from the pandemic.

New

Asia Business Development Division

PMI, business management,
growth strategies



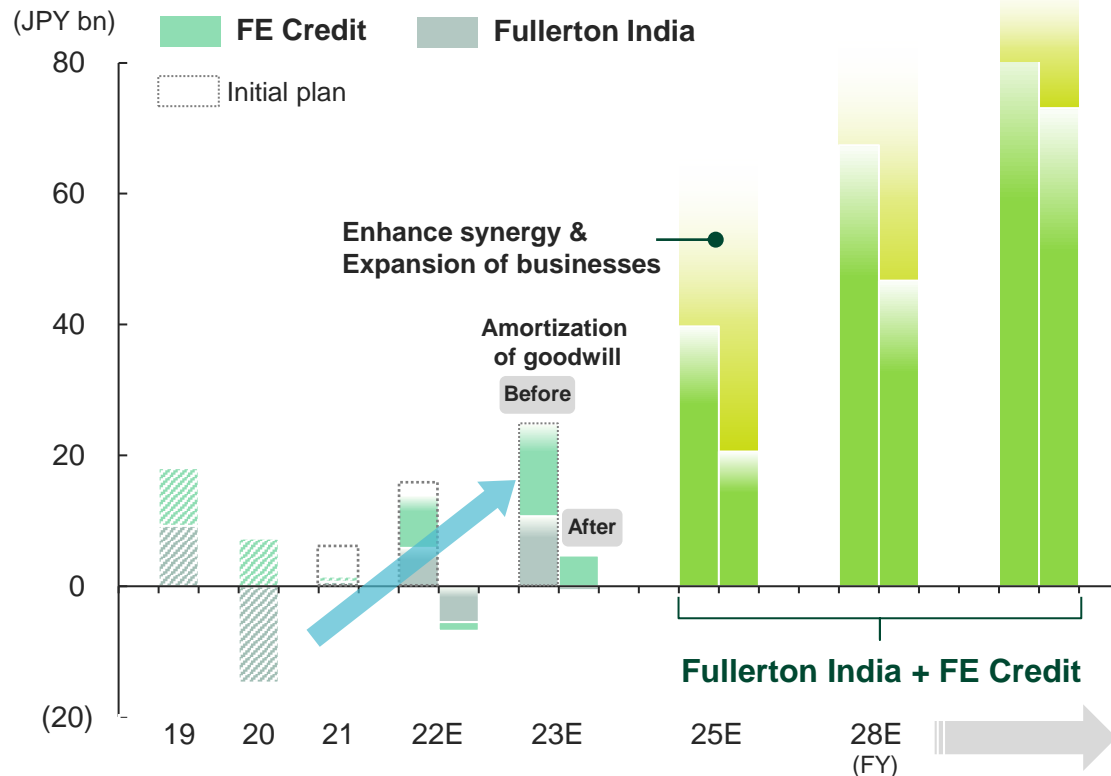
SMBC Group synergies

Governance systems

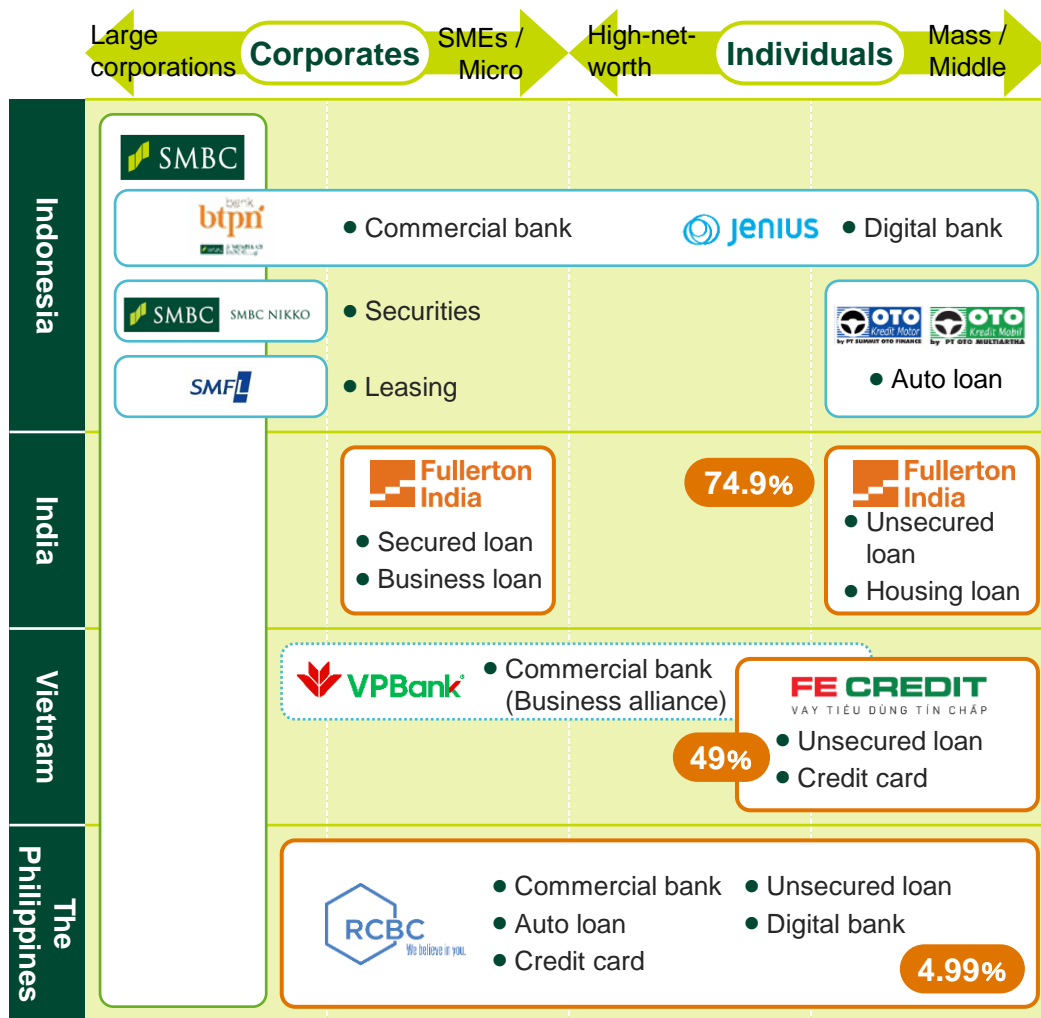
Additional investment /
Expanding the platform

- Business alliance
w/ Vietnam Prosperity Bank (May.22)

Fullerton India + FE Credit (Bottom-line profit contribution)

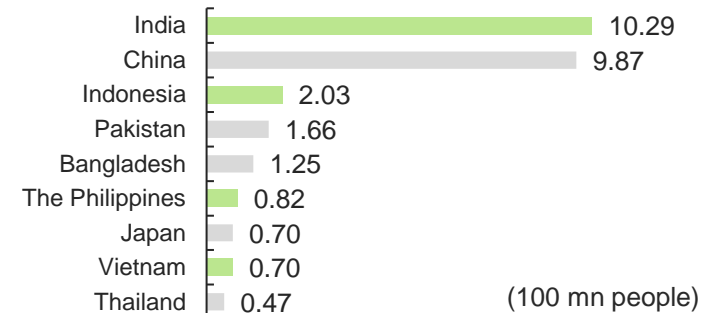


(Ref.) Multi-franchise strategy

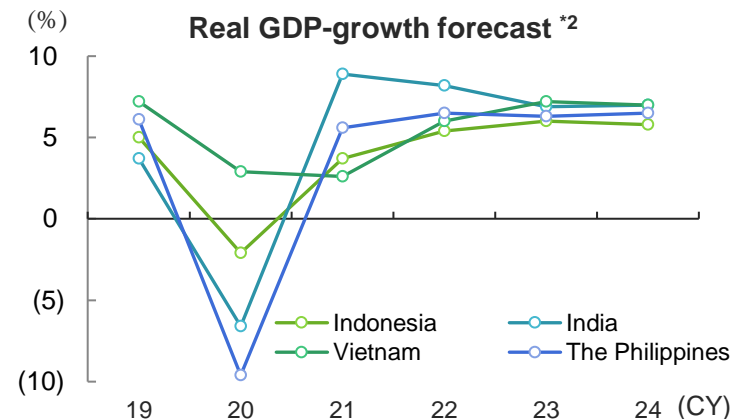


Working-age population supporting economic growth

Population projection for ages 15-65 *1 (in 2030)



Strong economic growth

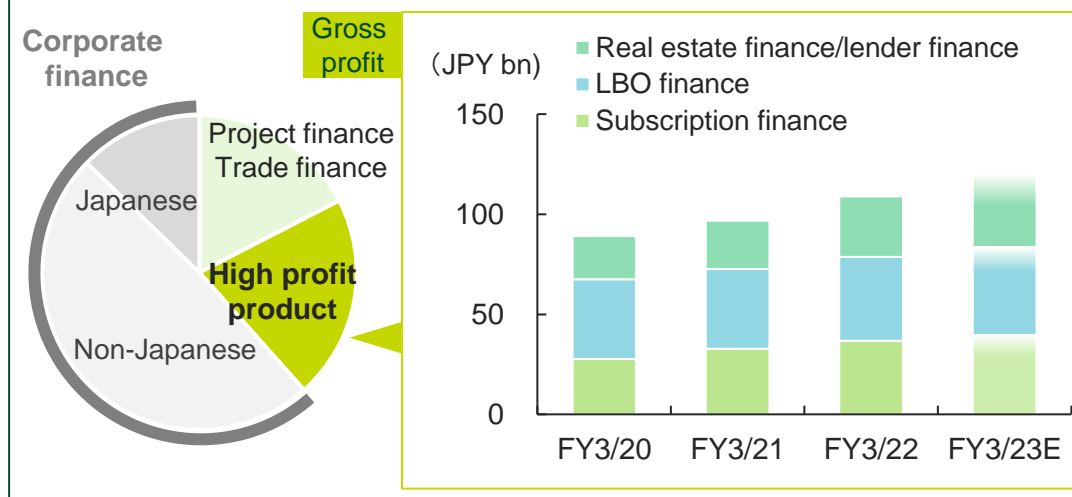


*1 United Nations *2 IMF

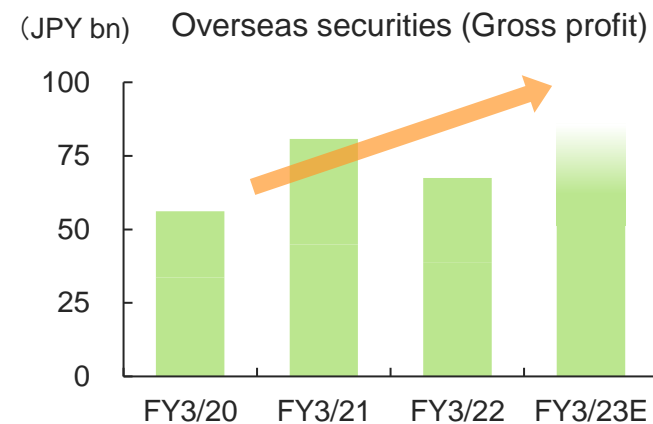
Enhance overseas CIB business

Improve asset efficiency by increasing high profit assets and enhance overseas securities business, as well as make the most of collaboration with Jefferies.

Improve asset efficiency of overseas asset portfolio^{*1}



Enhance securities business



1

Sub-IG

6 LBO deals closed

2

Cross-border
M&A

3

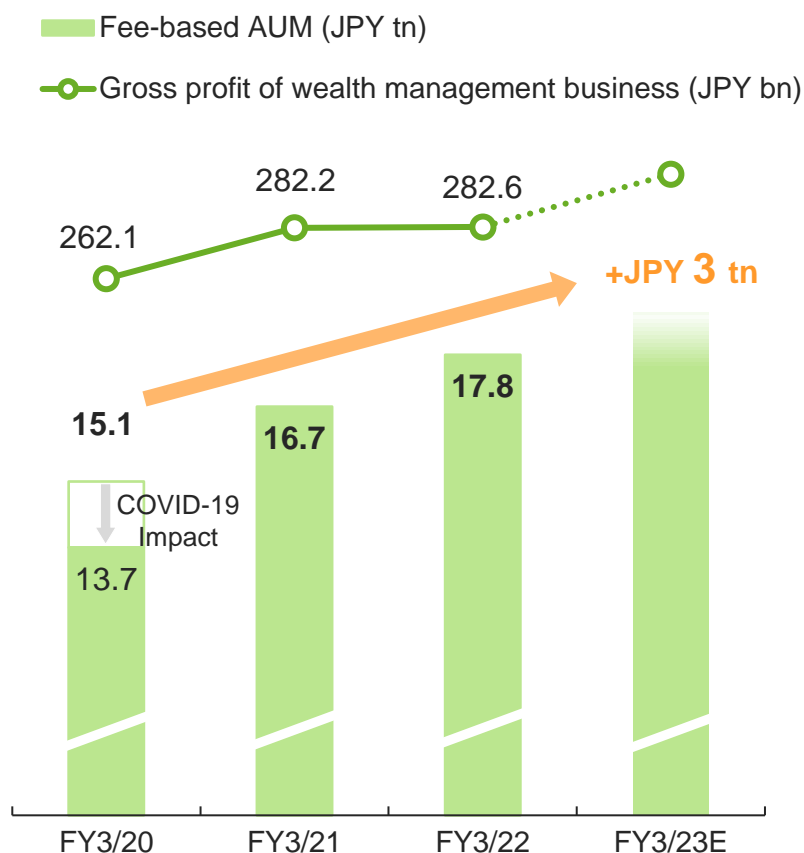
Healthcare

with Jefferies

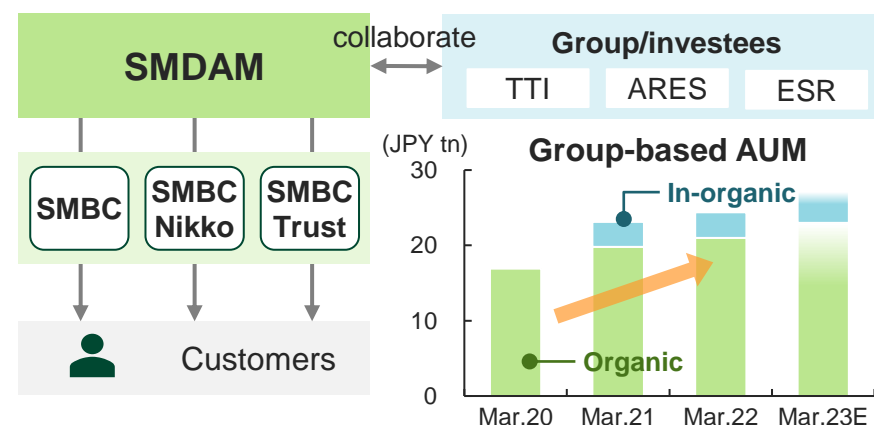
Sustainable growth of wealth management business

Fee-based AUM has been steadily increasing. Aim for further growth through group-wide initiatives.

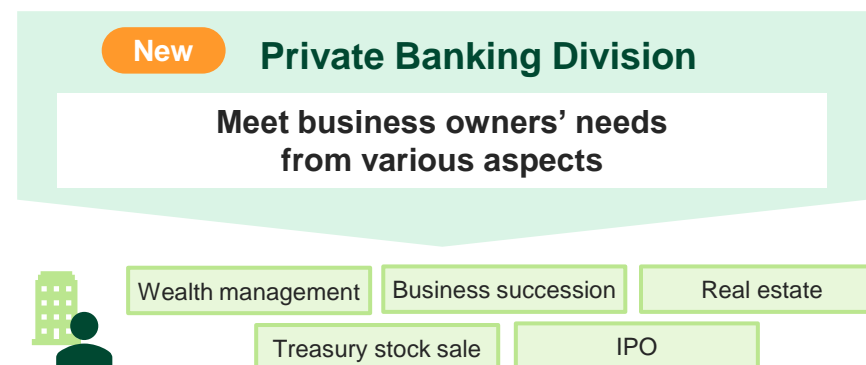
Balance of fee-based AUM



Enhance product supplying



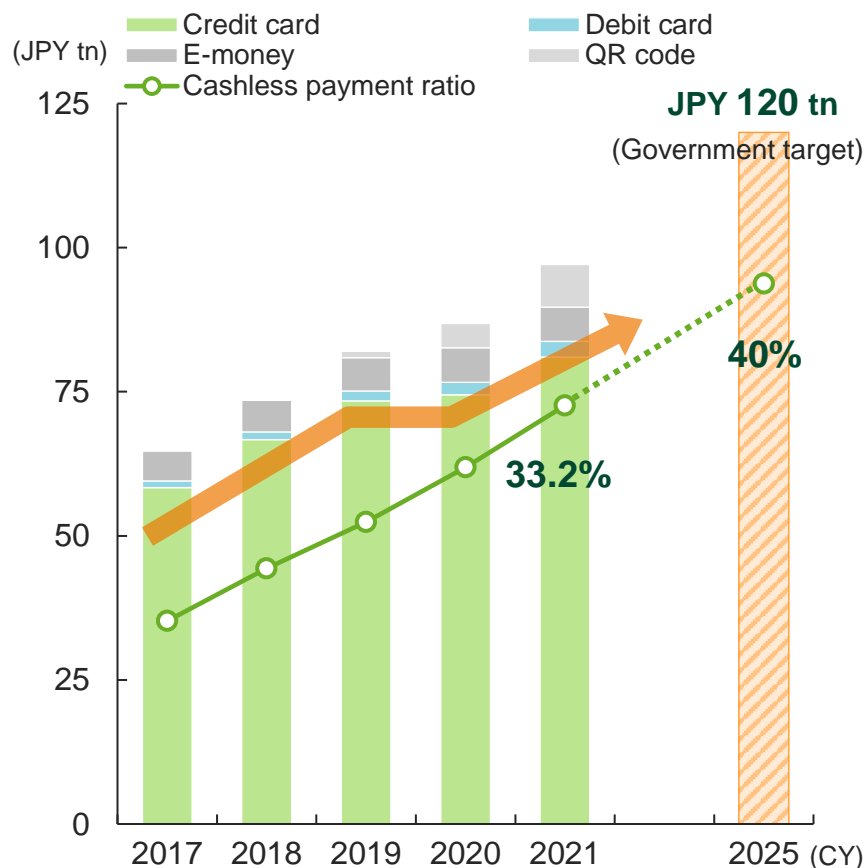
Business owners



Hold the number one position in payment business

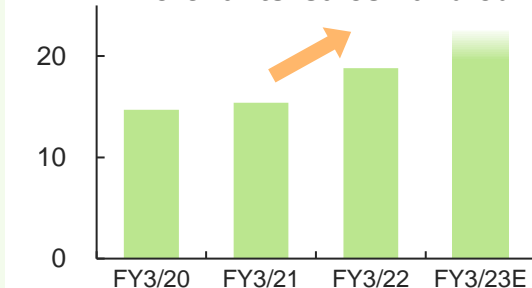
Successfully capturing the rapid growth of cashless payment market after COVID-19 in both acquiring and issuing businesses.

Growing cashless market ^{*1}



Acquiring

Merchants' sales handled



The Payment Platform.
stera

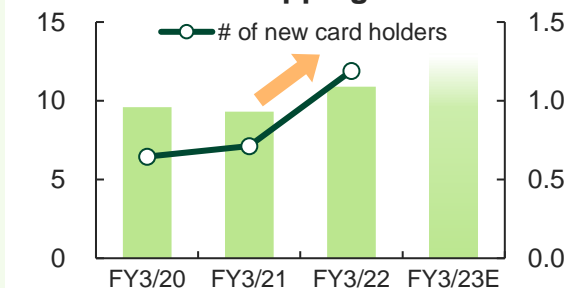
Over 100K units

Custella

Total 200 companies

Issuing

Users' shopping volume



Number-less card
(Feb.21)



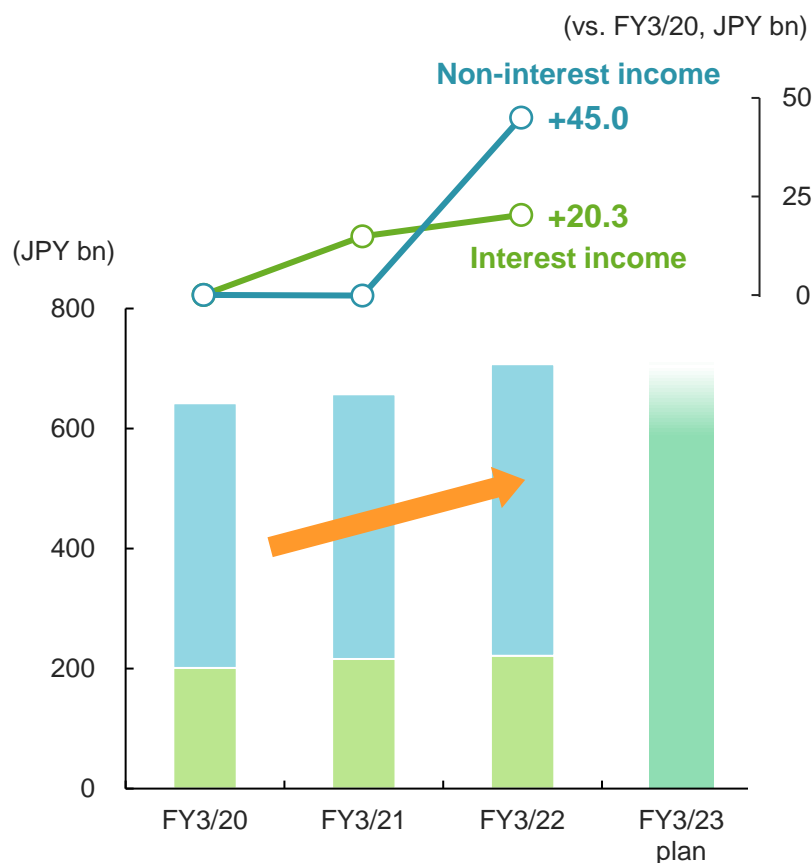
V-Point App



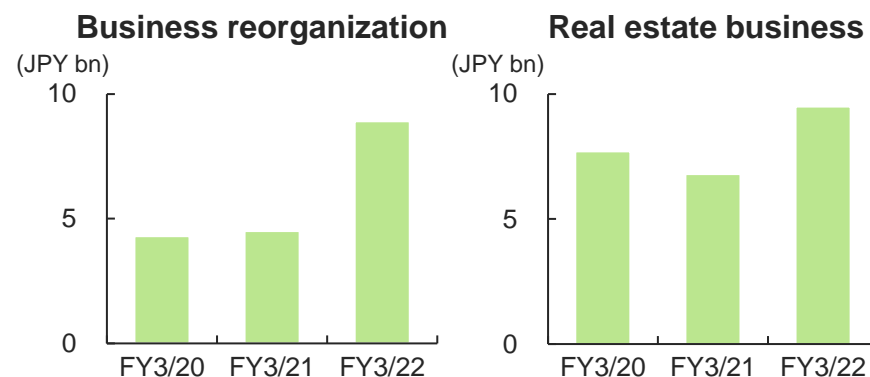
Improve profitability of domestic wholesale business

Non-interest income sharply increased after the sluggish environment under COVID-19, while the trend of interest income remains upward. Started business investment for future growth.

Gross profit of Wholesale Business Unit



Fee income from SME clients



Business investment

- SMBC Capital Partners started majority-investment in non-financial companies as the Banking Act was revised
- 1st investment subsidiary model as a megabank

Target

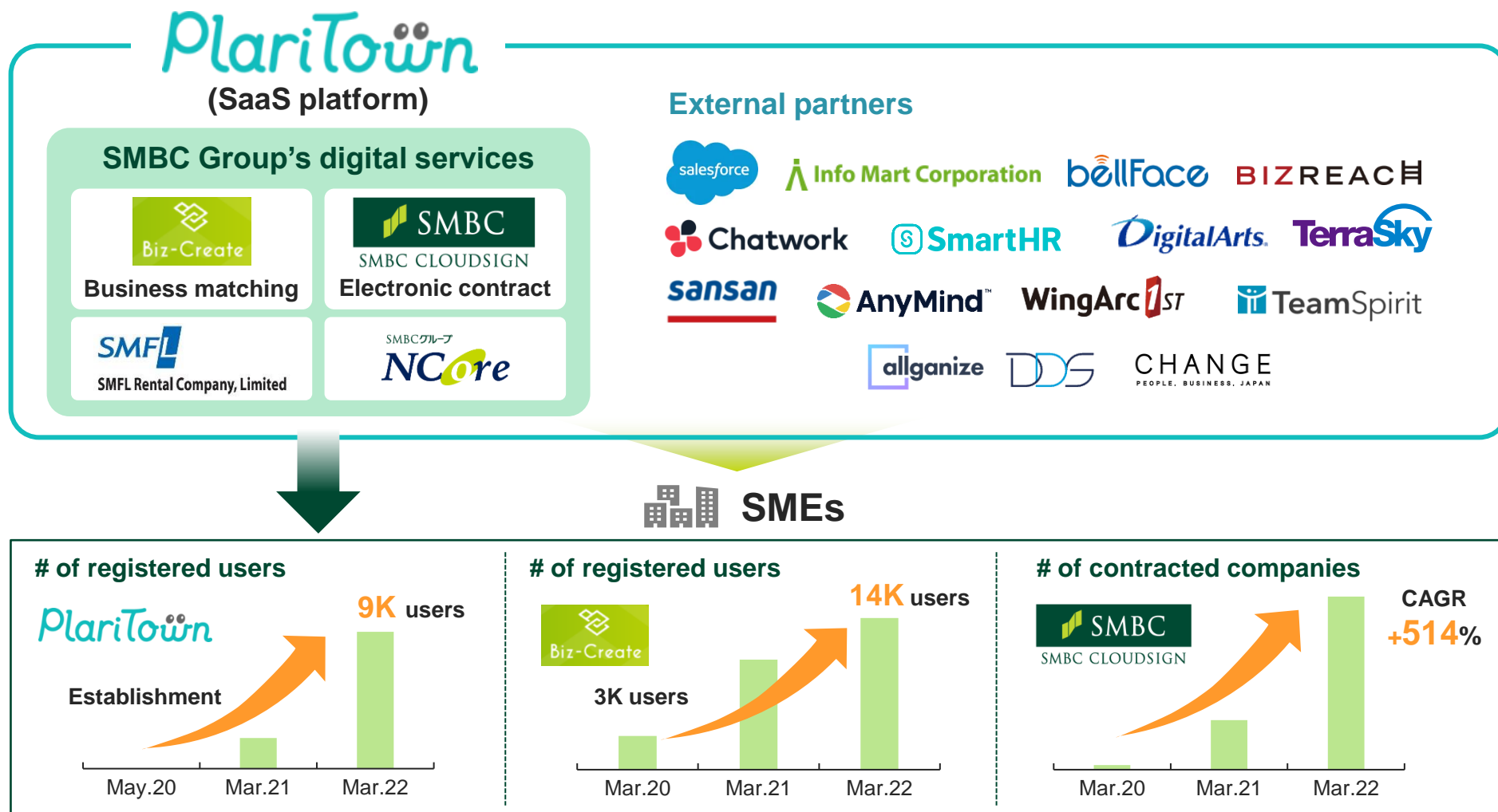
1. Business succession
2. Funding for growth (e.g. new businesses, capital investment)

Bottom-line target
in medium- to long-term

JPY 15 bn

Digital solutions for corporate customers

Provide a wide range of services that support digital transformation through a SaaS platform “PlariTown”



Cost control

Cost reduction initiatives are making good progress
and expect to exceed the initial target by JPY 30-40 bn by accelerating digital shift.

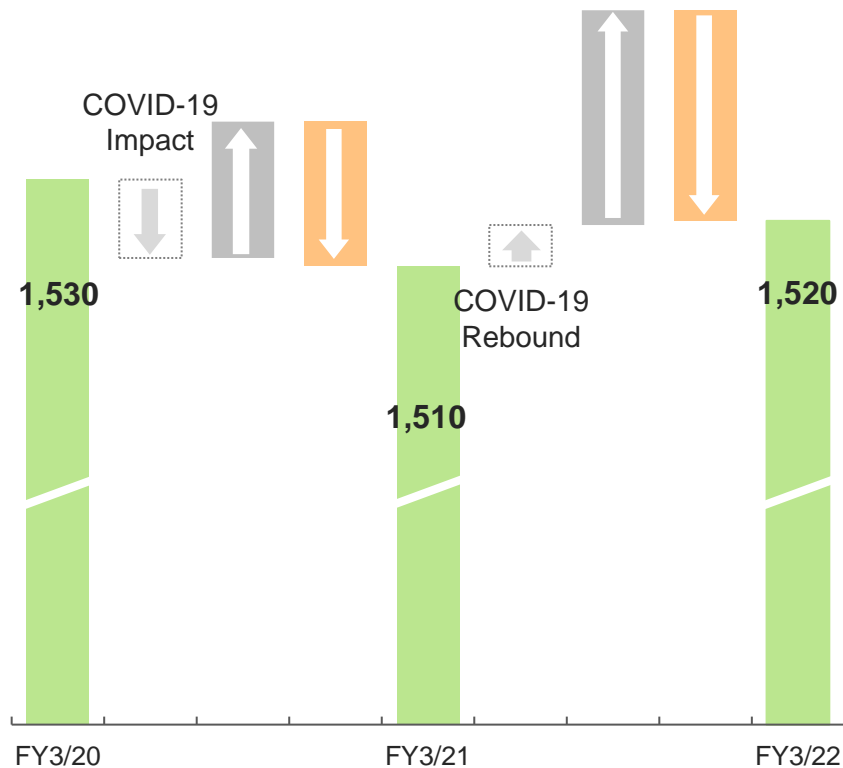
Target	Status of key initiatives		Results
(50) bn	Reform of domestic business	<ul style="list-style-type: none"> Reduced workload of 3.3K people <ul style="list-style-type: none"> - Digitalize payment business - Reallocate workforce of domestic wholesale and wealth management business - Improve efficiency of headquarters 	(48) bn
(25) bn	Retail branch reorganization	<ul style="list-style-type: none"> Completed shift to smart branches ahead of schedule Operate in small headcount by digitalizing operations and eliminating cash 	(18) bn
(25) bn	Integration of group operations	<ul style="list-style-type: none"> Review overseas expenses Integrate functions of SMCC and SMBCFS Share systems and review assets 	(20) bn
Total			
JPY 100 bn	+	JPY 30-40 bn Additional 20 bn	Reallocate resources to digital and overseas businesses (86) bn

(Ref.) Base Expenses and headcount

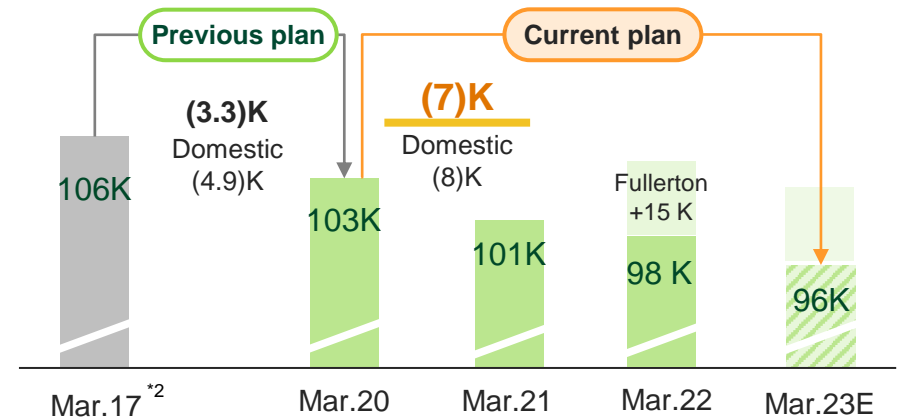
Base expenses ^{*1}

(JPY bn)

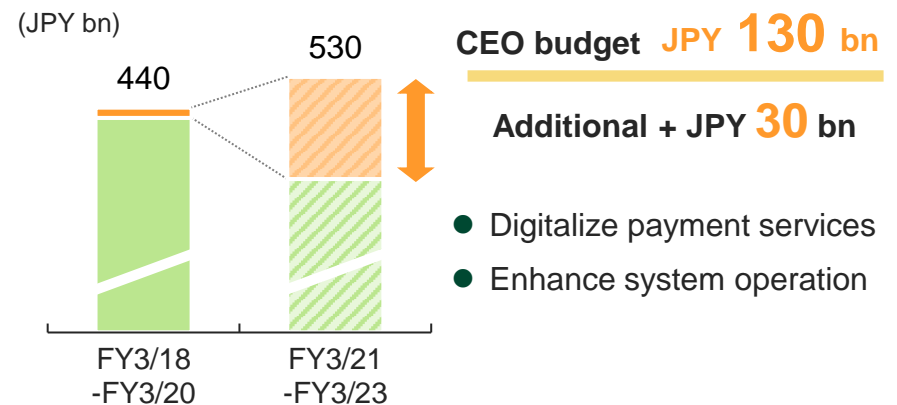
- **Key cost control initiatives**
- **Resource allocation**
(e.g. overseas business, strategic investment, system expenses)



Headcount



IT investment



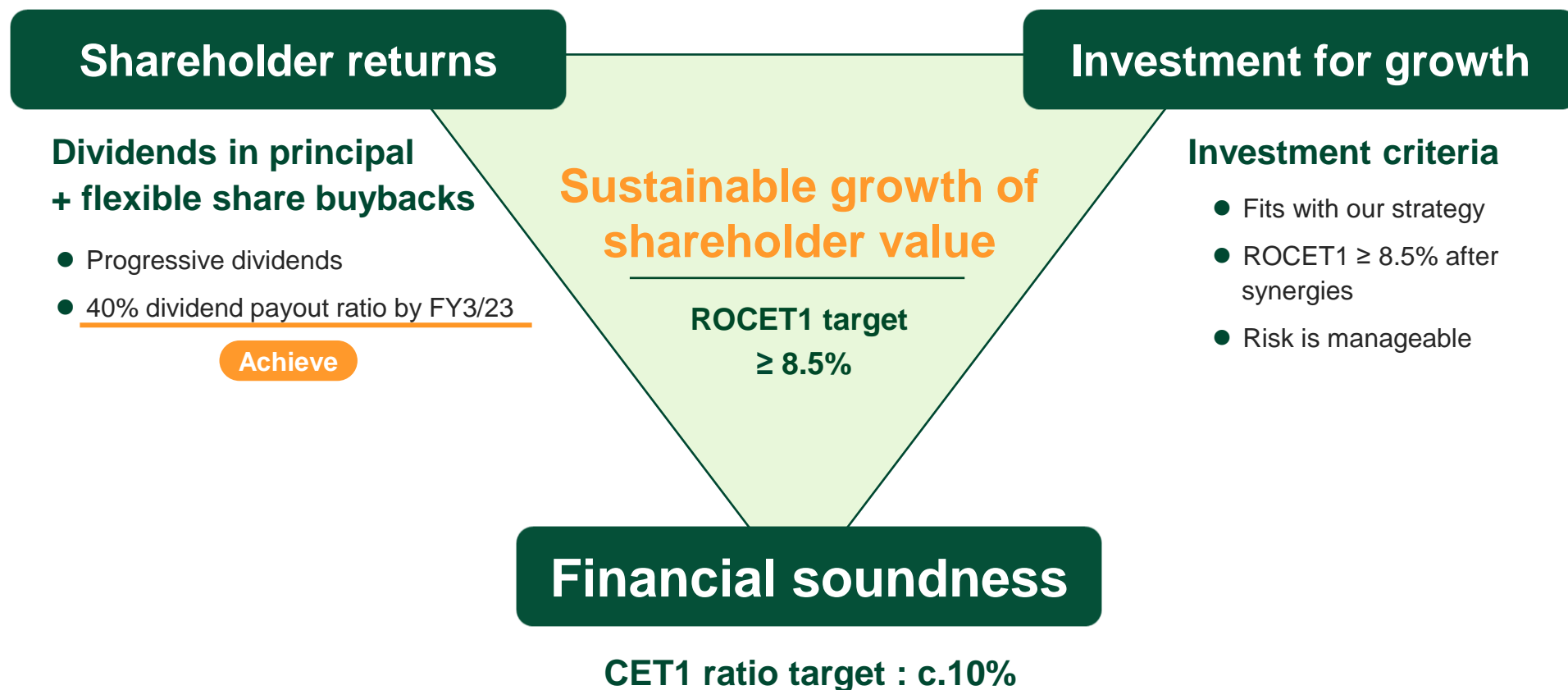
^{*1} G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others.
Exchanged at USD1=JPY105. ^{*2} Added the impact of group reorganization retrospectively.



III. Capital Policy

Basic Capital Policy

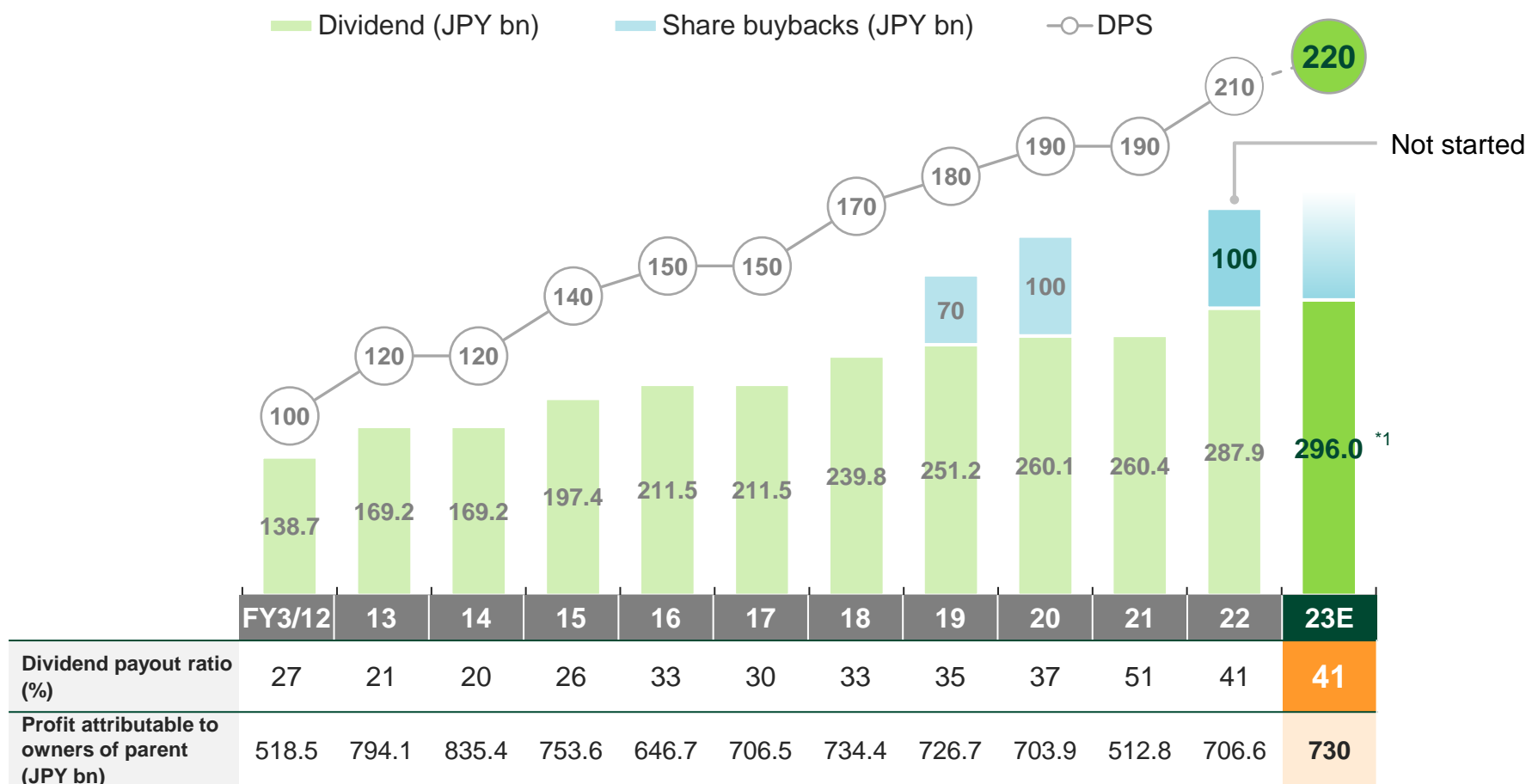
Achieve a healthy balance among securing financial soundness, enhancing shareholder returns, and investing for growth



Shareholder returns

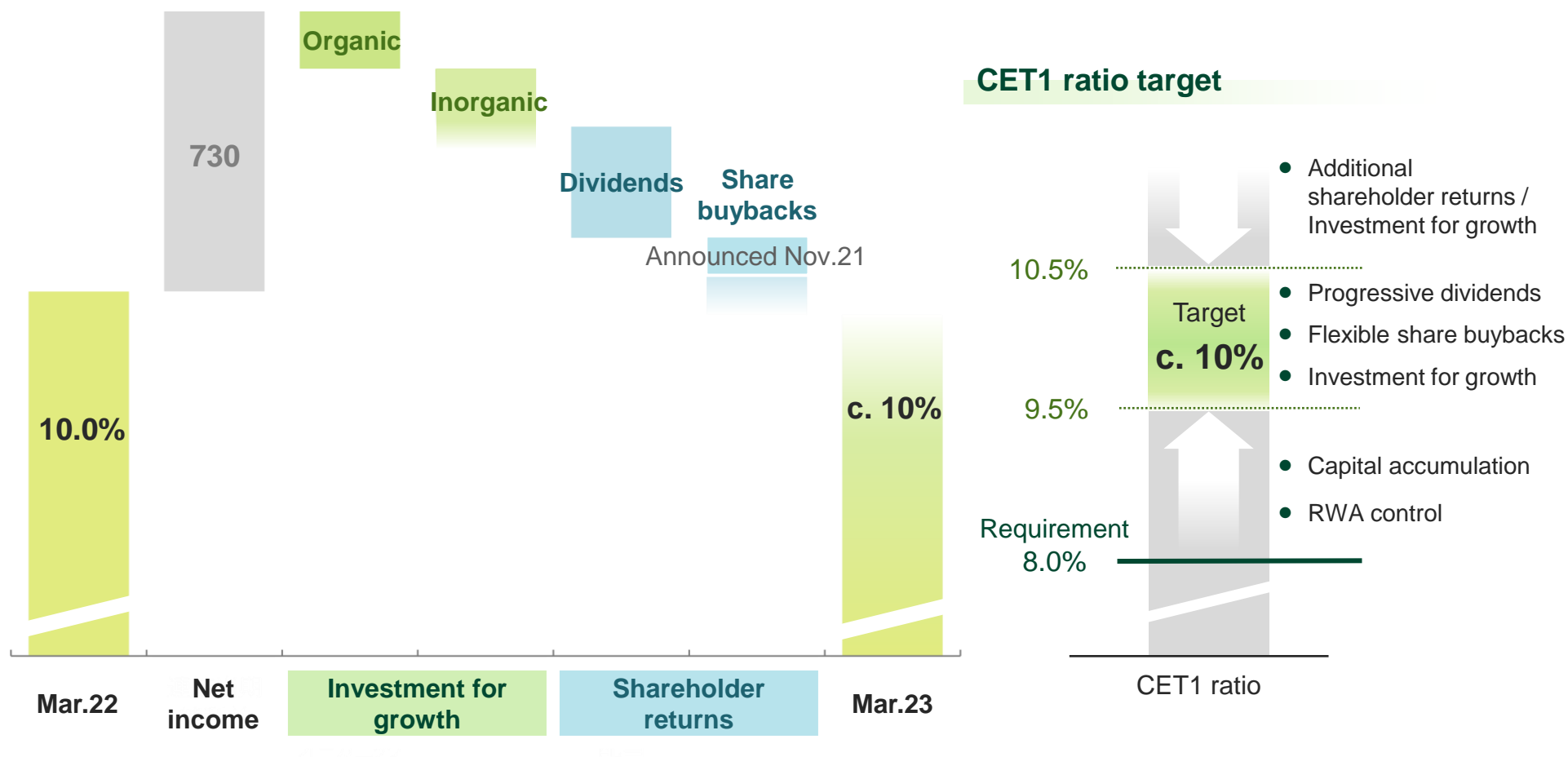
Achieve dividend payout ratio of 40% by increasing DPS to JPY 220.

Pursue execution of the announced share buyback, while assessing the impact from an uncertain environment before announcing additional one.



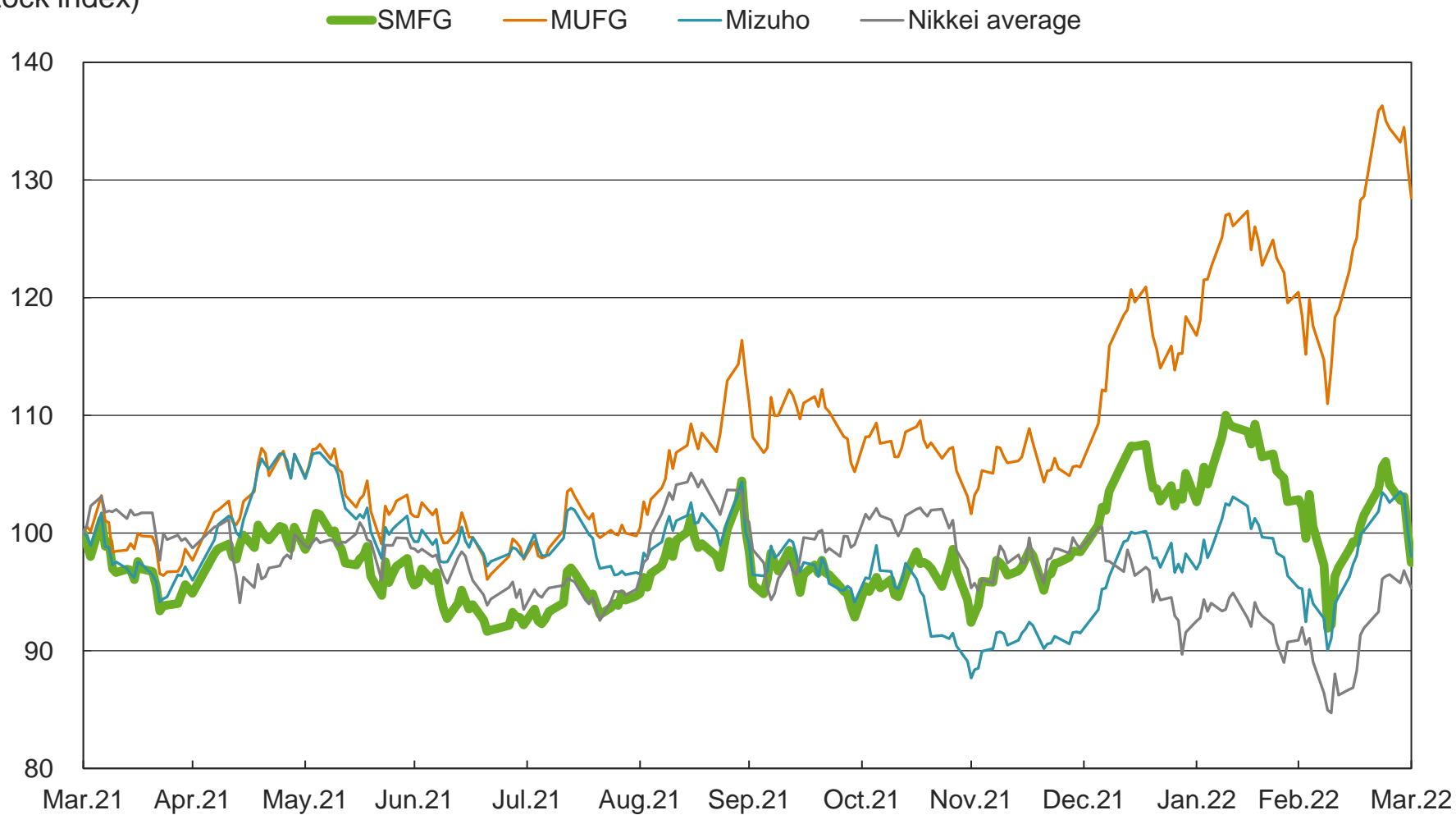
Capital Allocation

CET1 ratio as of Mar. 22 was 10.0%. Will manage around 10%, the target level initially set for FY3/23.



Stock price performance in FY3/2022

(Stock index)



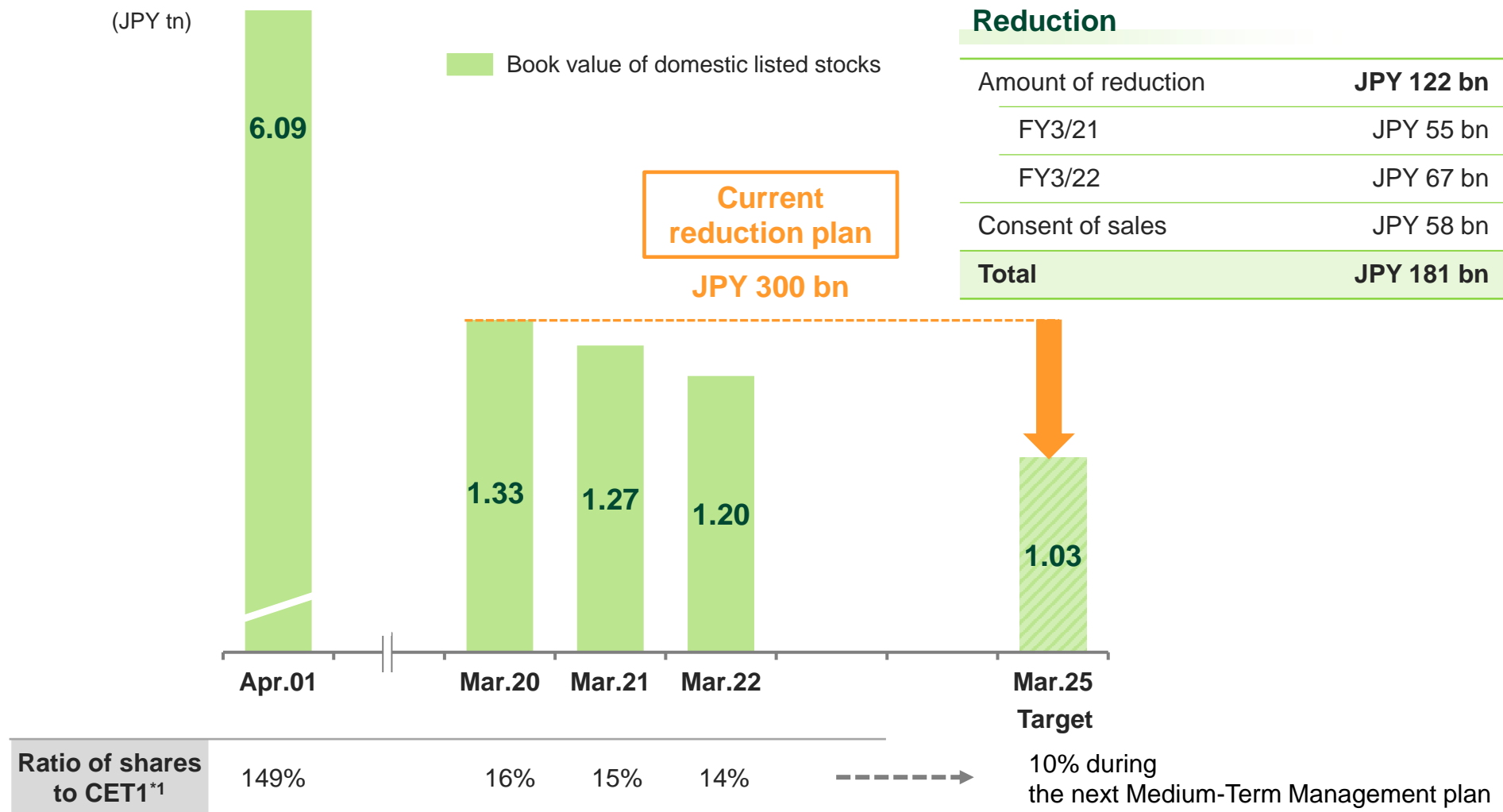
2021

2022

Strategic shareholdings

Reduced JPY 67 bn in FY3/22.

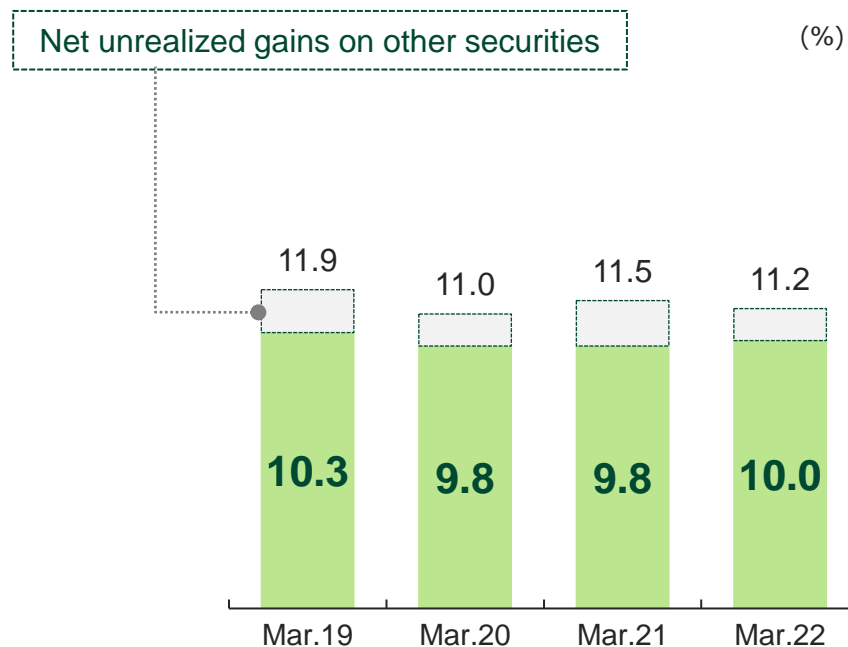
Progress rate slightly exceeded the targeted pace of the five-year reduction plan.



*1 Basel III fully-loaded basis, excl. net unrealized gains on other securities

(Ref.) CET1 ratio

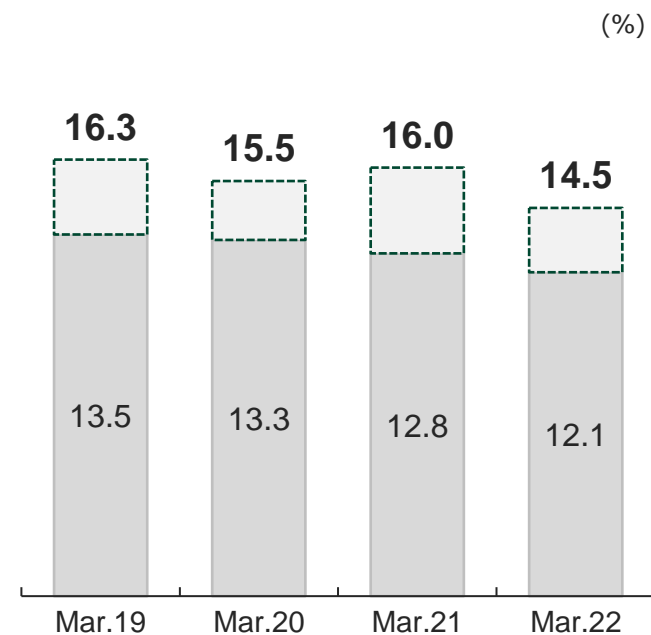
Post-Basel III (financial target)



(JPY tn)

RWA	76.8	83.5	86.4	88.2
CET1 Capital	8.0	8.2	8.5	8.8

Basel III fully-loaded basis



(JPY tn)

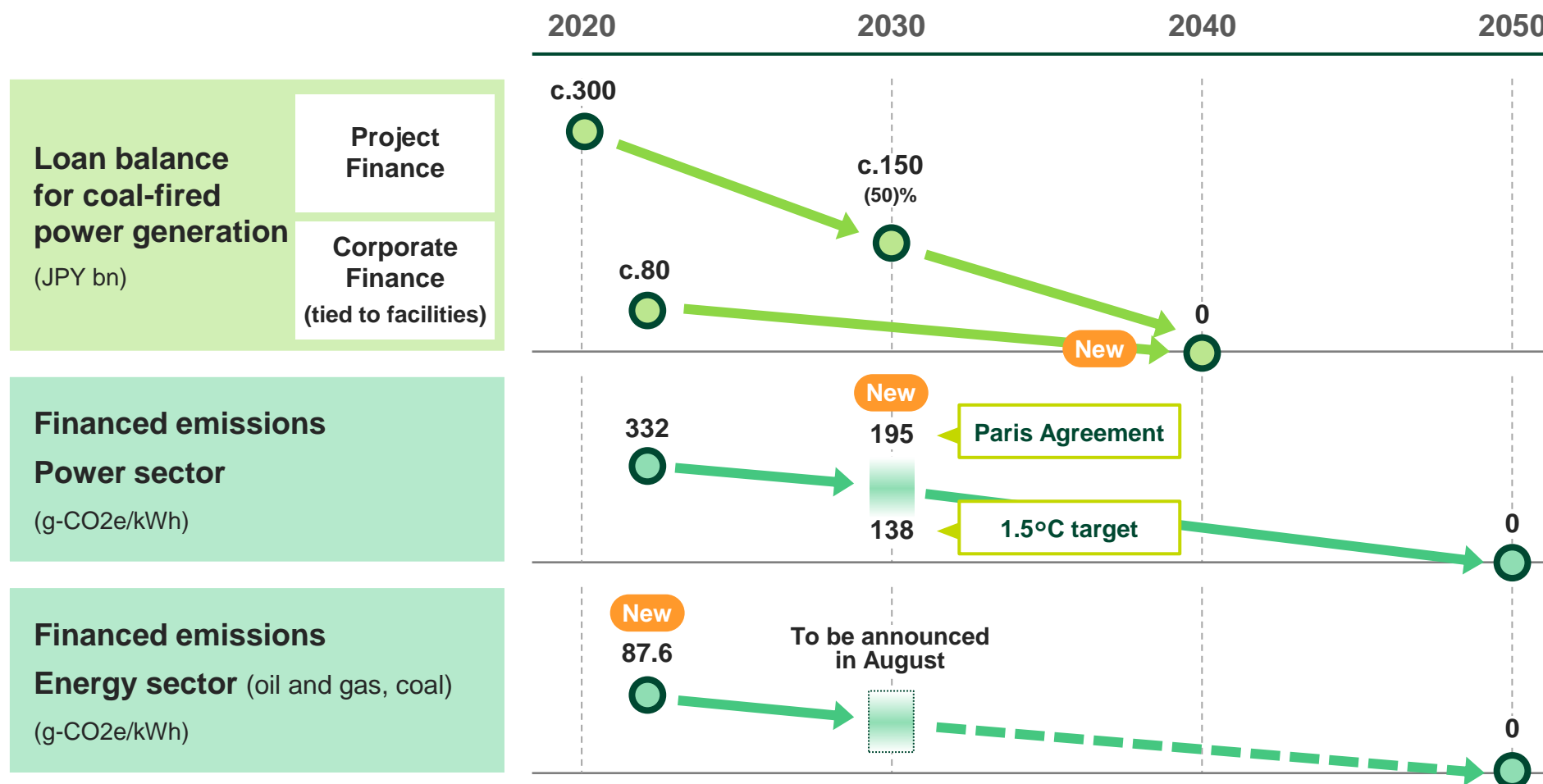
58.9	61.6	66.0	72.4
9.7	9.6	10.6	10.5



IV. Initiatives for Sustainability

Reduction target toward 2050 net zero

Set interim target for financed emissions from the power sector toward 2050 net zero and target for corporate finance to coal-fired power plants toward 2040 zero-balance.



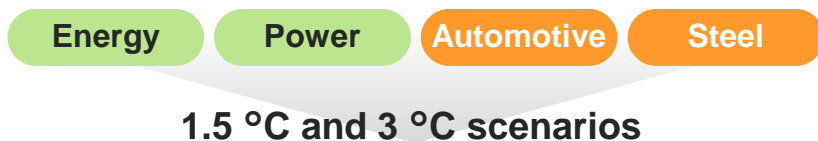
Sustainability Management Structure

Organization system



Scenario analysis

- Steel and automotive sectors are newly added to the transition risk scenario analysis



Expected increase in credit cost (up to 2050)

JPY 2-24 bn annual → JPY 2.5-28 bn annual

Revised KPI of executive compensation

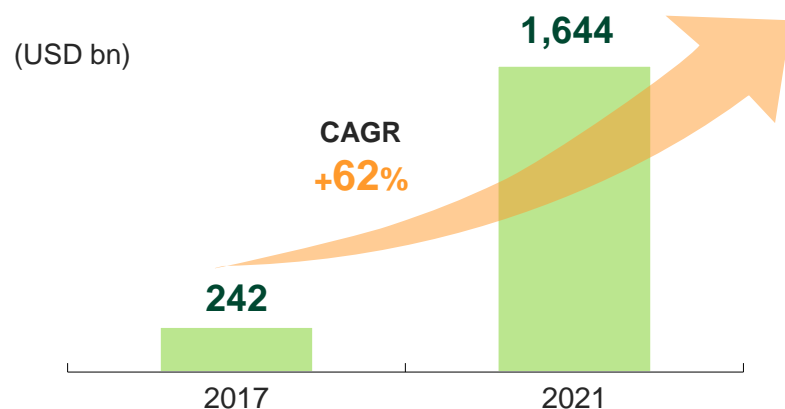
Base salary	Fixed compensation
Bonus <ul style="list-style-type: none"> Cash Stock Compensation Plan II	Annual performance-linked (0-150%) <div> <div>Base amount</div> <div>×</div> <div> Annual New ESG Individuals' performance </div> </div> <div> Quantitative Achievement of targets for <ul style="list-style-type: none"> Sustainable finance Scope1/2 GHG emissions Qualitative ESG ratings of major agencies </div> <div>±10%</div>
	Medium-term performance-linked (0-150%) <div> <div>Base amount</div> <div>×</div> <div> Financial Stock Qualitative evaluation </div> </div> <div>Incl. "ESG Initiatives"</div>
Stock Compensation Plan I	
Stock Compensation Plan III	Promotion reward plan

Business opportunities of climate change

Made steady progress toward 2030 target of sustainable finance by capturing the market expansion.
Aim for upsides by providing cutting-edge solutions.

Sustainable Finance

Rapid expansion of market^{*1}



KPI

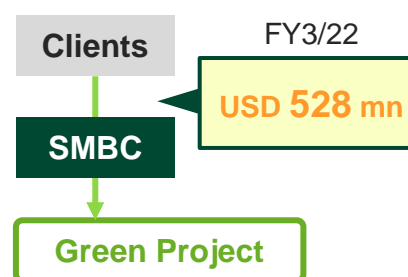
	(JPY tn)	FY3/22	Total ^{*2}	FY3/21-30 Target
Sustainable Finance		5.4	8.2	30
o/w Green finance		5.0	7.5	20

YoY^{*3}

+78%

Cutting-edge solutions

1 Green deposit

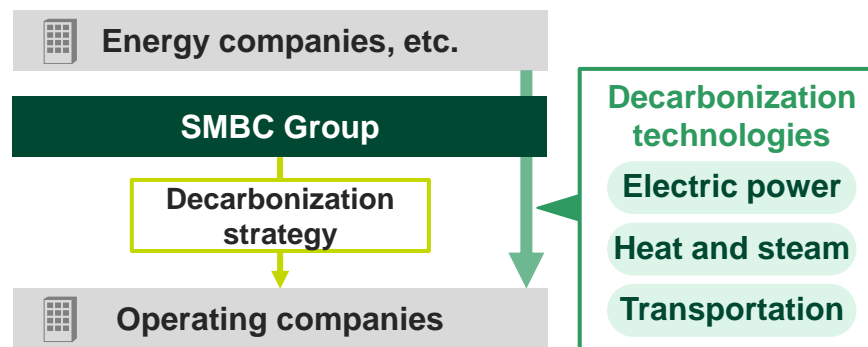


2 Sustana

- 40% of the participants in the POC were NOT our frequent client



3 Energy conversion support



Direction of the next Medium-Term Management Plan

Transformation

Transform
existing businesses

Growth

Seek new
growth opportunities

Quality

Elevate quality
in all aspects

Major direction remains unchanged



**Aim to Enhance Corporate Value
by pursuing social value**



Appendix

Company overview (1) Group structure

Sumitomo Mitsui Financial Group

Consolidated total assets JPY 258 tn

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

Consumer Finance

Sumitomo Mitsui Card

SMBC Consumer Finance

(74.9%)

Fullerton India

Leasing

(50%)

Sumitomo Mitsui Finance and Leasing

(SMBC 32%, SMFL 68%)

SMBC Aviation Capital

Consolidated subsidiary Equity-method affiliate

Banking

Sumitomo Mitsui Banking Corporation

Moody's	S&P	Fitch
A1	A	A

SMBC Trust Bank

(92%)

PT Bank BTPN Tbk

Securities

SMBC Nikko Securities

Others

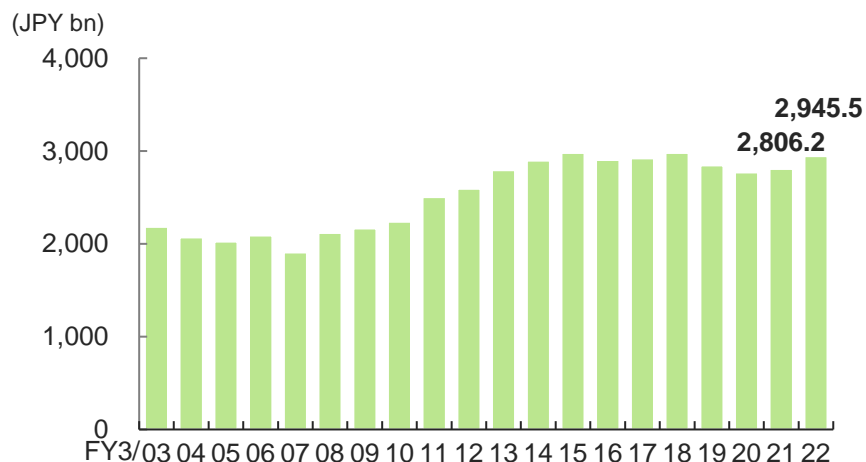
(50.1%)

Japan Research Institute

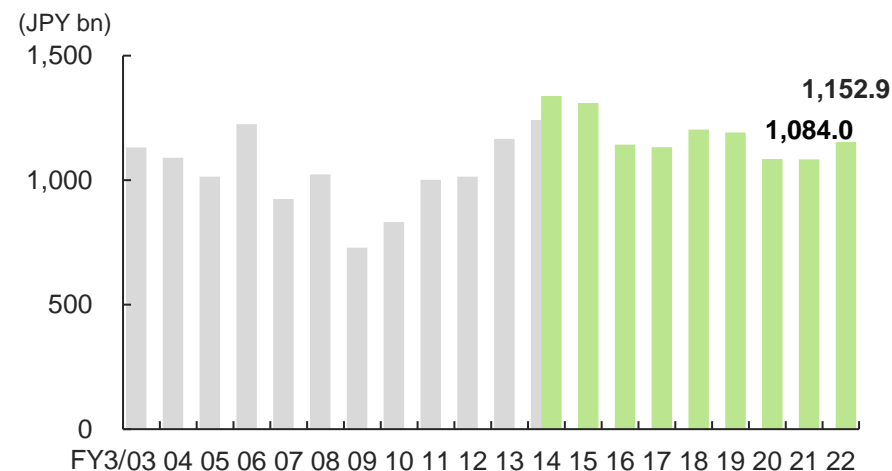
Sumitomo Mitsui DS Asset Management

Company overview (2) Long-term results

Consolidated gross profit



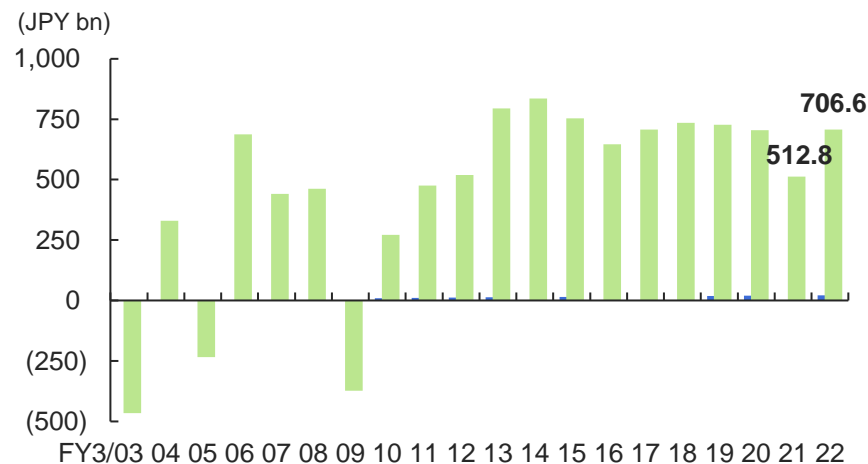
Consolidated net business profit*1



Breakdown of consolidated gross profit

	FY3/03		FY3/22
SMBC's Domestic loan / deposit related	35%	↘	13%
International business (banking)	5%	↗	27%
Group companies excluding SMBC	18%	↗	36%

Profit attributable to owners of parent



*1 Changed definition of consolidated net business profit from FY3/15. Adjusted retrospectively for FY3/14

Medium-Term Management Plan

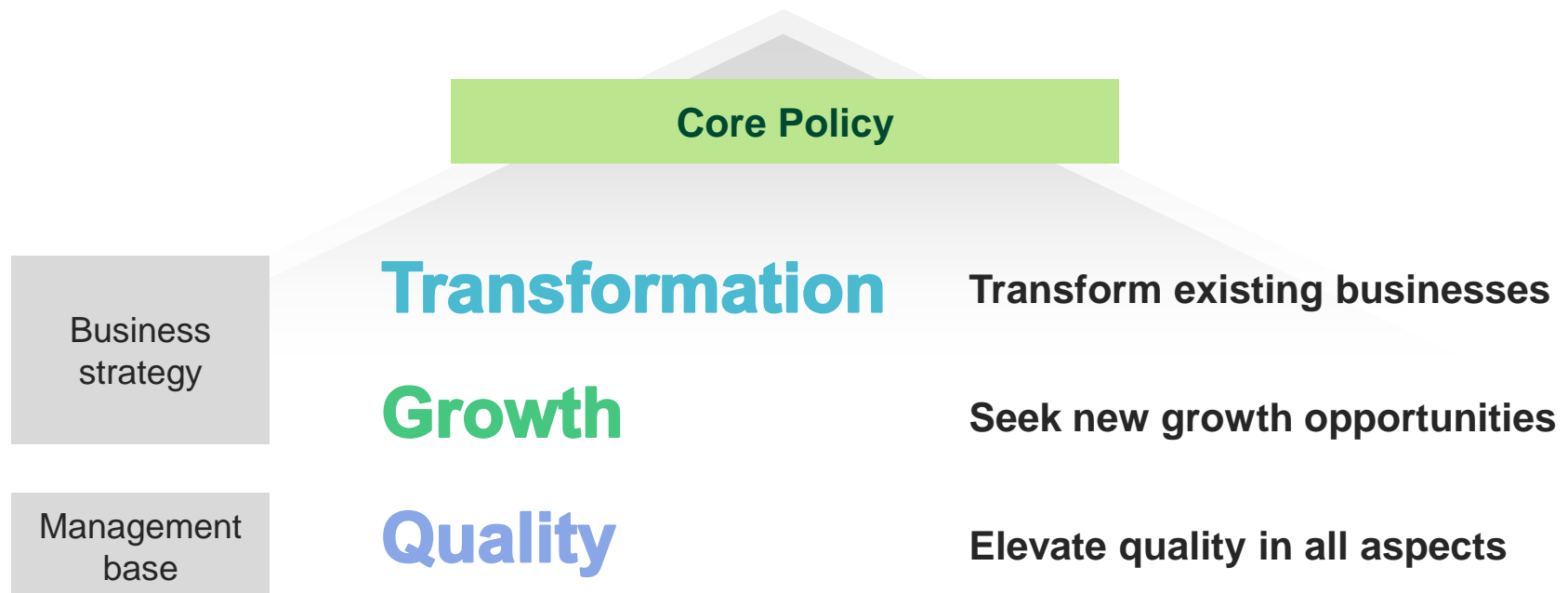
(1) Core Policy

Announced in May 2020

Mid-long term Vision

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

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



Medium-Term Management Plan

Announced in May 2020

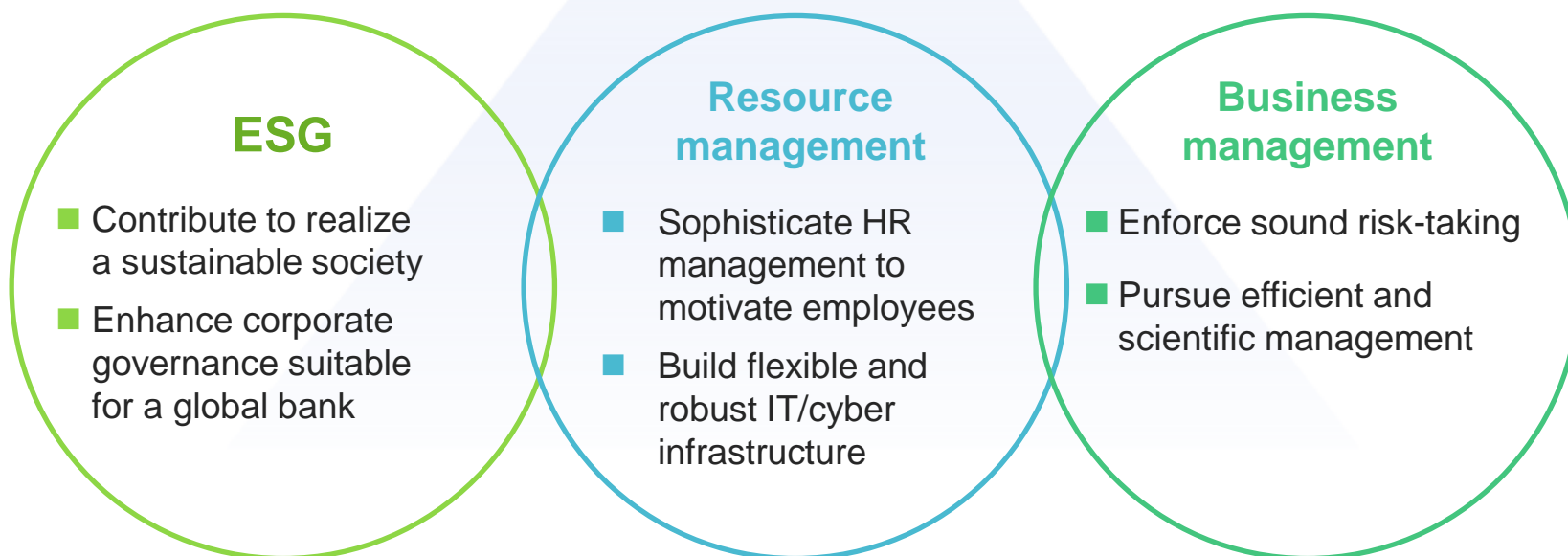
(2) Business strategies – Transformation & Growth –

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



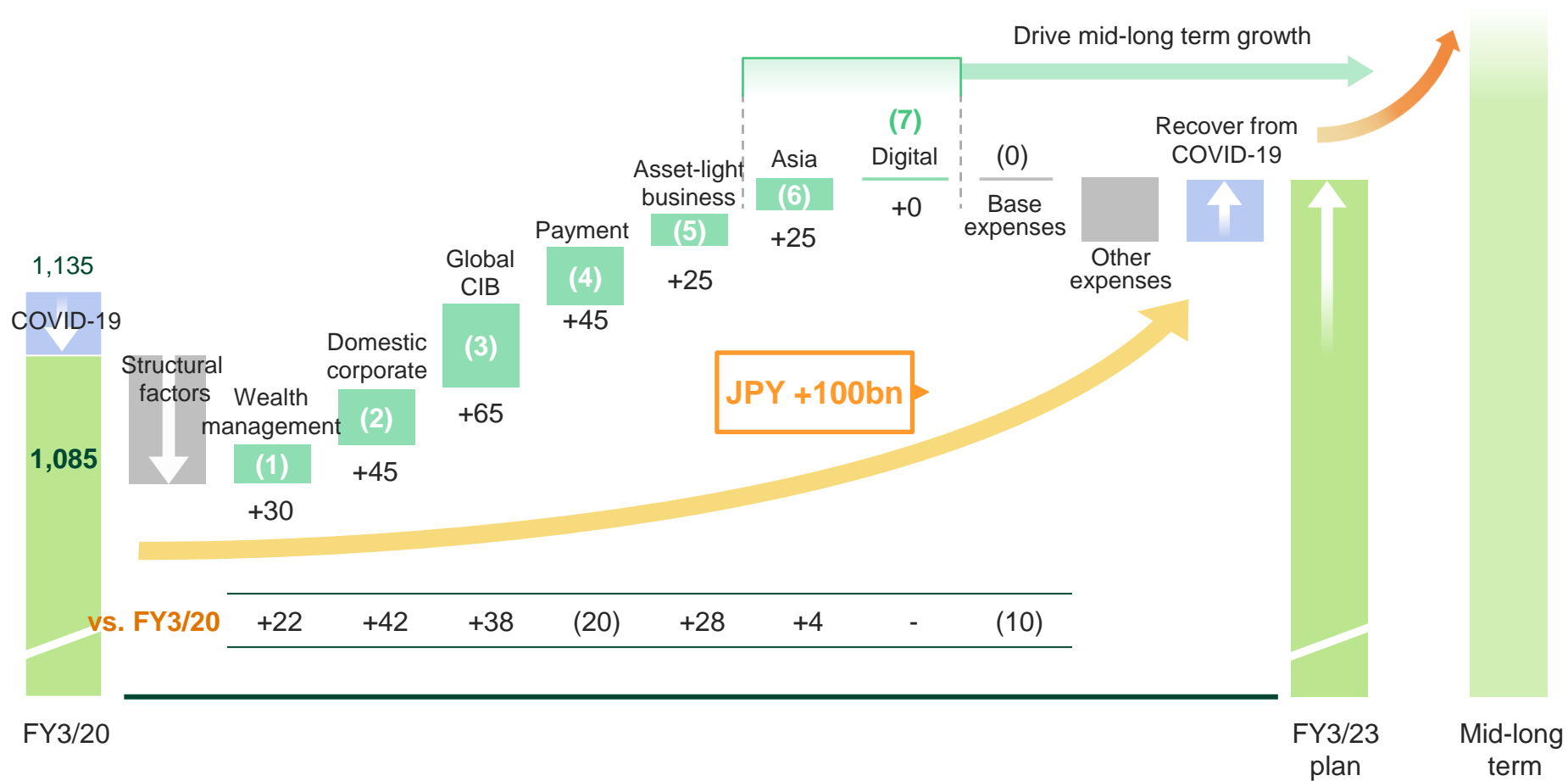
Quality

Elevate quality in all aspects

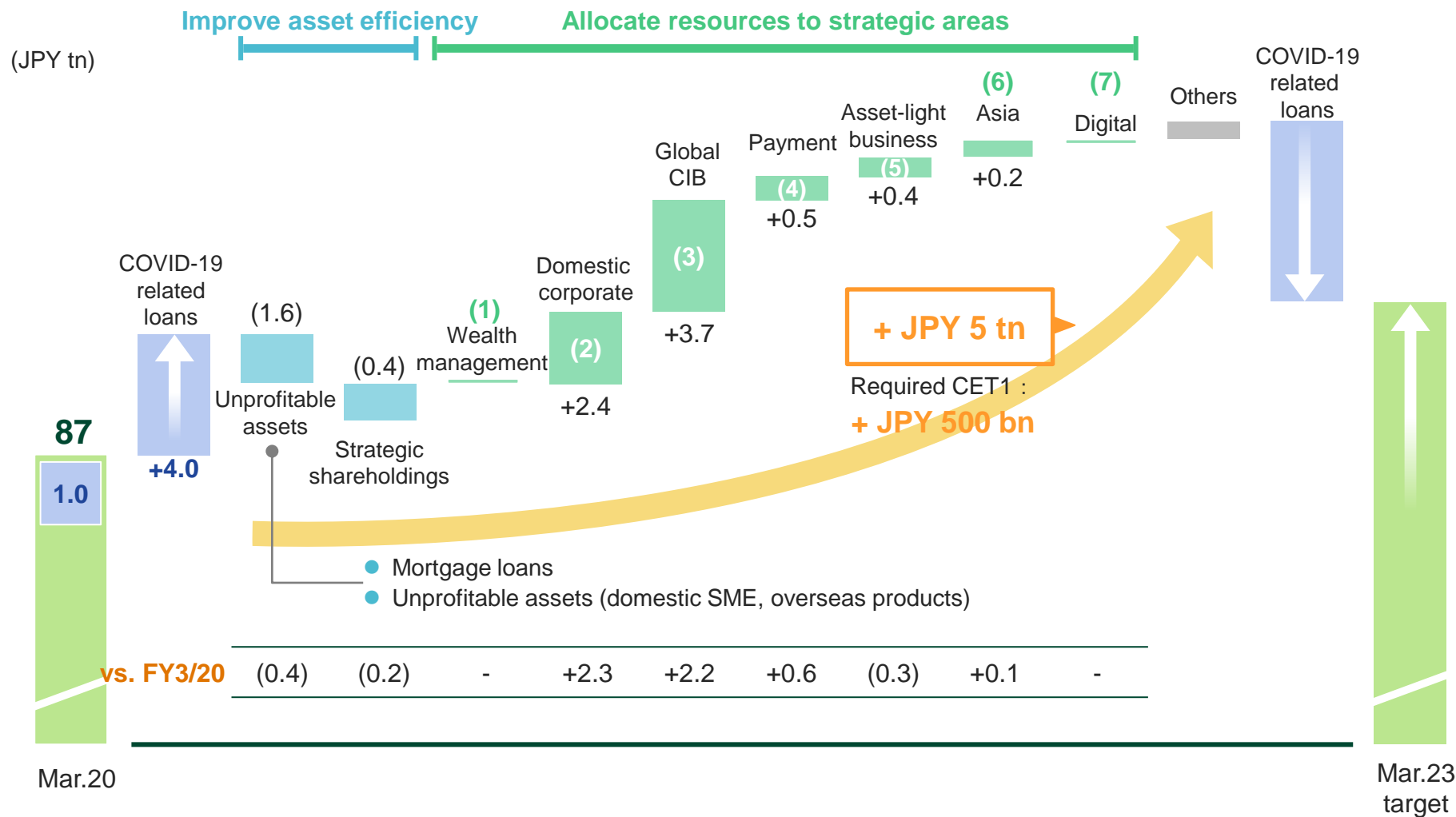


Roadmap to 2022 (1) Profit

(JPY bn)

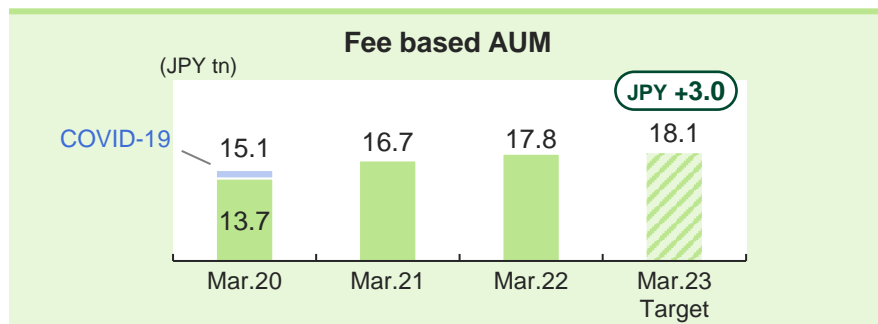


Roadmap to 2022 (2) RWA

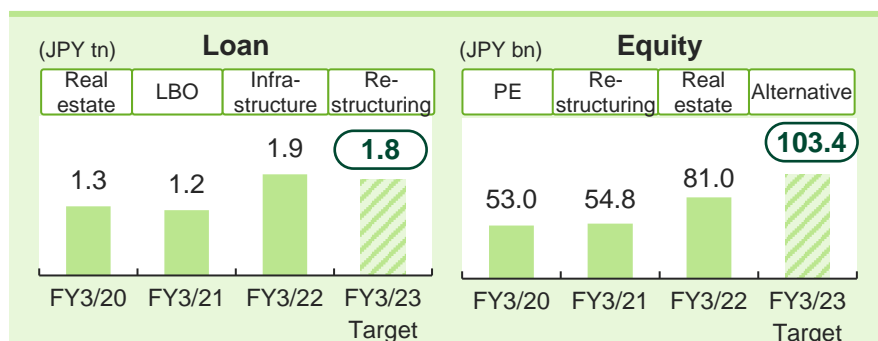


Roadmap to 2022 (3) KPI

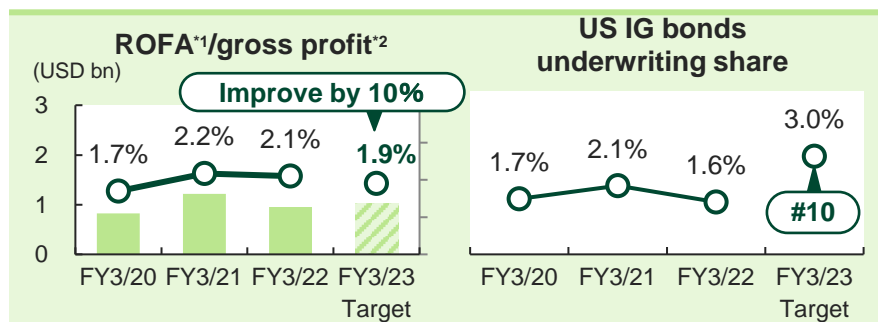
Wealth management business



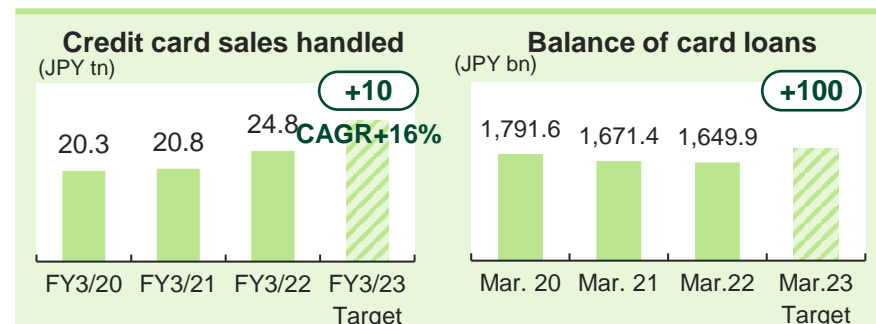
Domestic wholesale business



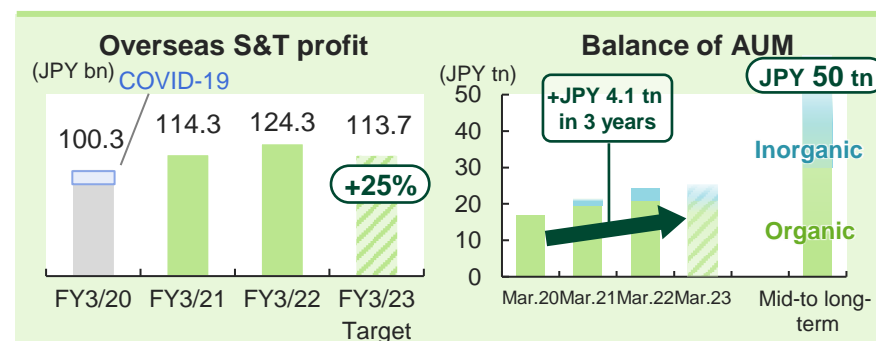
Overseas CIB business



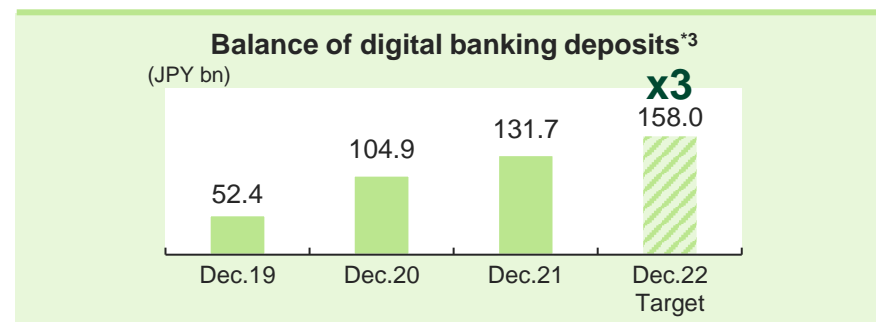
Payment business



Asset-light business



Multi-franchise strategy in Asia



ESG (1) Engagement with stakeholders

KPIs

	KPI	Target	Results
Environment	Green finance	JPY 20 tn Apr.20-Mar.30	JPY 7.5 tn -Mar.22
	Green bond issuance	at least once a year	once
Community	Retail deposits in Asia	vs Dec.19 x3 by Dec. 22	x2.5
Next Generation	Finance education	1.5 mn people Apr.20-Mar.30	298 k -Mar.22
Human Resources	Female managers	20 % by Mar. 26	17.0 %
	Childcare leave (male)* ¹	100 %	100 %

Enhance corporate value through engagement

Disclose
non-financial
information



Engage

Ease information
asymmetry
(lower capital cost)

Enhance
corporate value

Improve
ESG
ratings



Corporate value

Information
asymmetry

External
evaluation

Disclosure/
dialogue

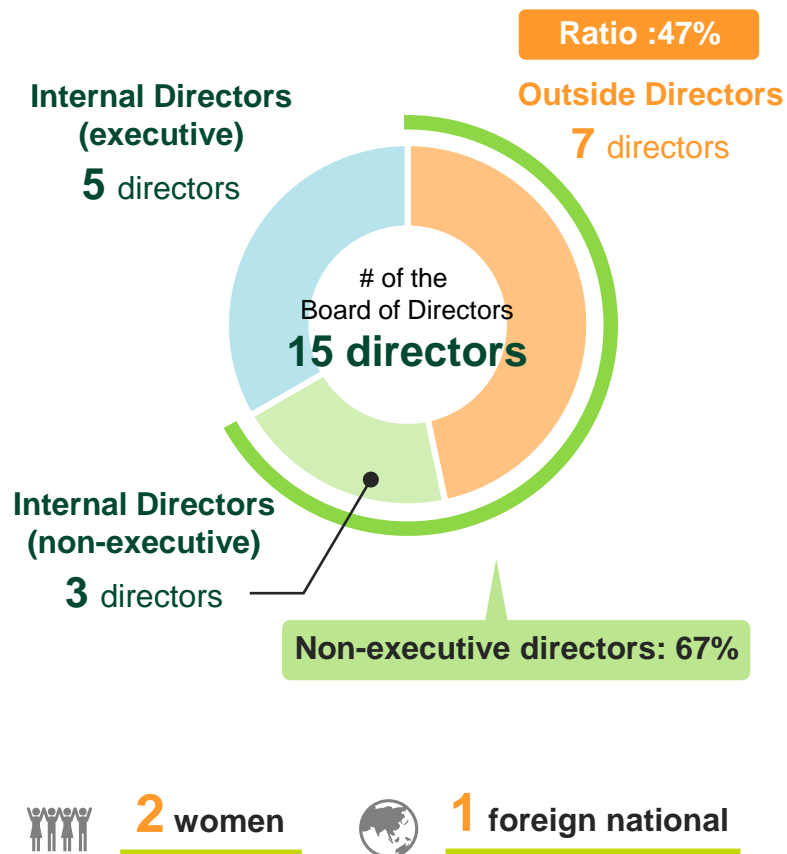
Fair
Value

Non-financial value

Financial value

ESG (2) Governance

Structure of the Board



	Knowledge and experience we expect in particular						
	Management	Finance	Global	Legal/risk management	Accounting	IT/DX	Sustainability
T.Kunibe	People icon	¥ icon	Globe icon	Scales icon	Calculator icon	Laptop icon	Hand icon
J.Ohta	People icon	¥ icon	Globe icon	Scales icon	Calculator icon	Laptop icon	Hand icon
M.Takashima	People icon	¥ icon	Globe icon	Scales icon	Calculator icon	Laptop icon	Hand icon
T.Nakashima		¥ icon		Scales icon	Calculator icon	Laptop icon	Hand icon
T.Kudo		¥ icon	Globe icon	Scales icon			Hand icon
A.Inoue		¥ icon		Scales icon			
T.Isshiki		¥ icon		Scales icon			
Y.Kawasaki	People icon	¥ icon	Globe icon				
M.Matsumoto	People icon			Scales icon			
A.M.Mitchell	People icon	¥ icon	Globe icon	Scales icon			
S.Yamazaki				Scales icon	Calculator icon		
M.Kohno			Globe icon	Scales icon			Hand icon
Y.Tsutsui	People icon	¥ icon					
K.Shinbo				Scales icon			
E.Sakurai	People icon		Globe icon				Hand icon

ESG (3) ESG indices and initiatives

Selected ESG indices



FTSE Blossom
Japan Sector
Relative Index



2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

GPIF Selected



2021



Sompo Sustainability Index

Endorsed initiatives

WE SUPPORT



PRINCIPLES FOR
RESPONSIBLE
BANKING

Signatory of:



Net-Zero Banking Alliance

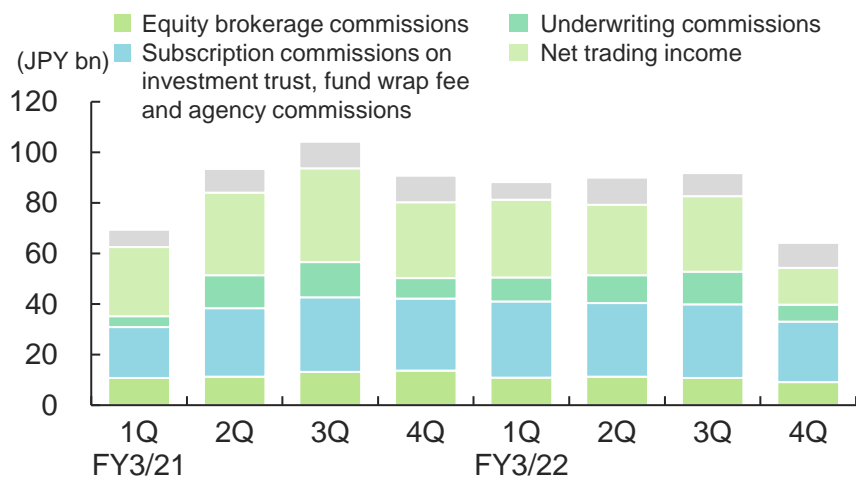


Group companies (1) SMBC Nikko

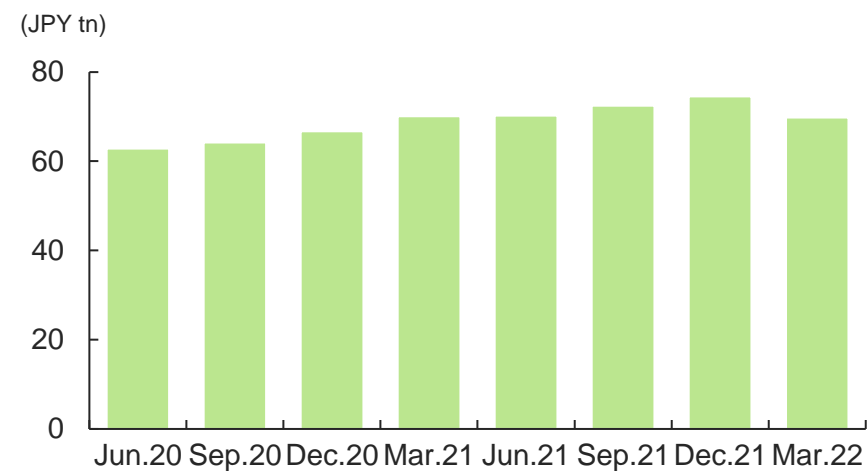
Financial results

(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)

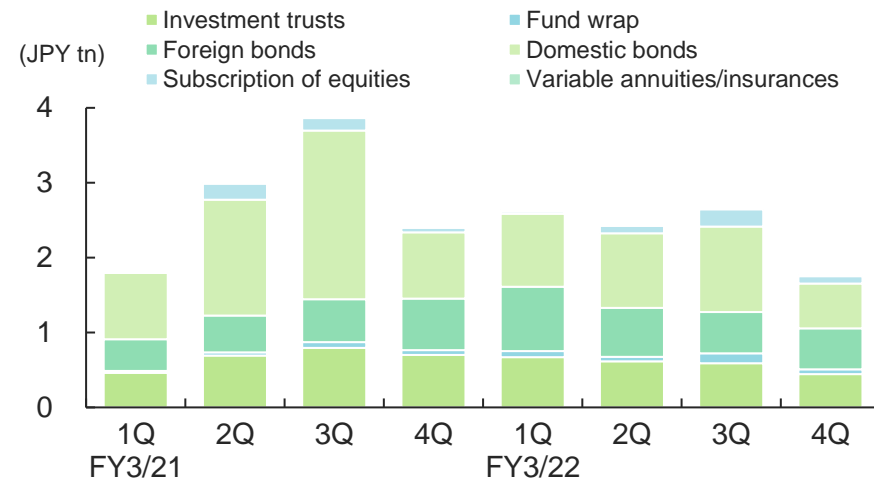
Net operating revenue



Client assets



Product sales



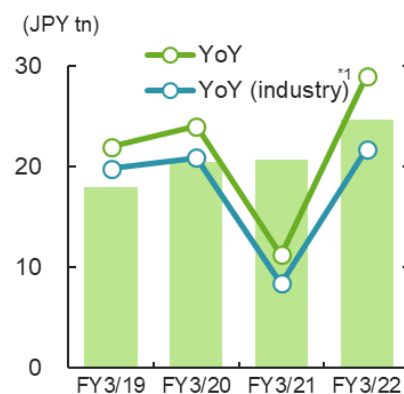
Group companies (2) SMCC

Financial results

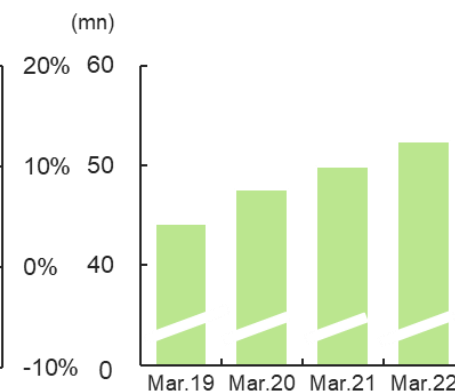
(JPY bn)	FY3/21	FY3/22	YoY
Operating revenue	447.5	470.5	+23.1
o/w Commission fee	143.7	164.0	+20.3
Finance	101.5	98.2	(3.3)
Sales on credit	32.3	29.5	(2.9)
Receipt agency	48.1	50.1	+2.0
Operating expense	413.0	439.5	+26.5
o/w Expenses for loan losses	22.7	25.6	+2.9
Expense for interest repayments	14.4	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

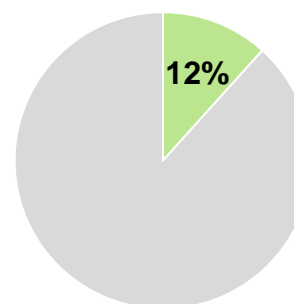


of card holders

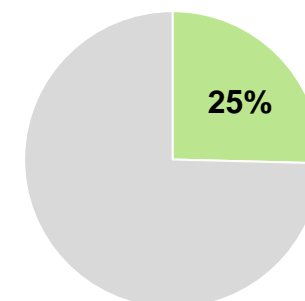


Market share^{*2}

Issuing



Acquiring



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

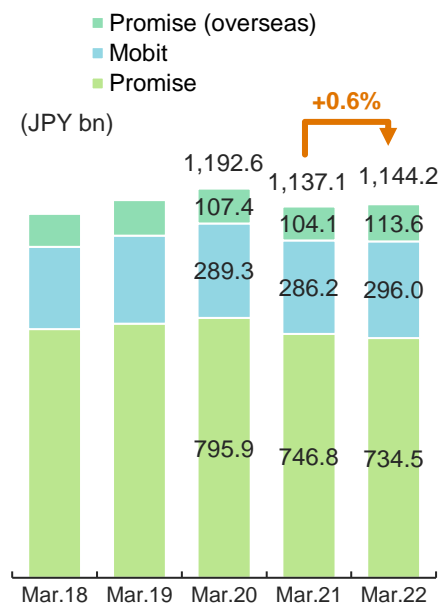
*2 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2021 : JPY 68 tn)

Group companies (3) SMBCCF

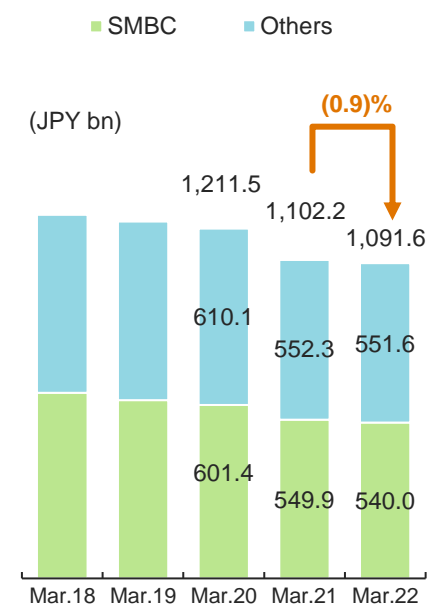
Financial results

(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	

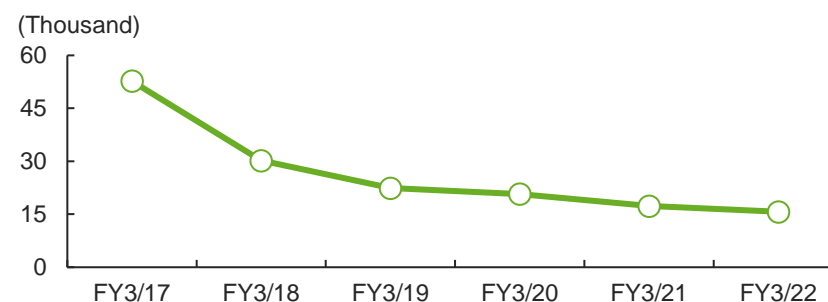
Consumer loans



Loan guarantee



No. of interest refund claims

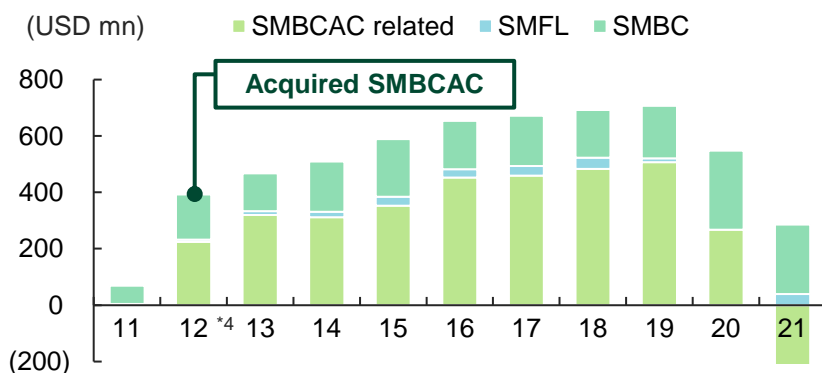


Group companies (4) SMBCAC

Financial results

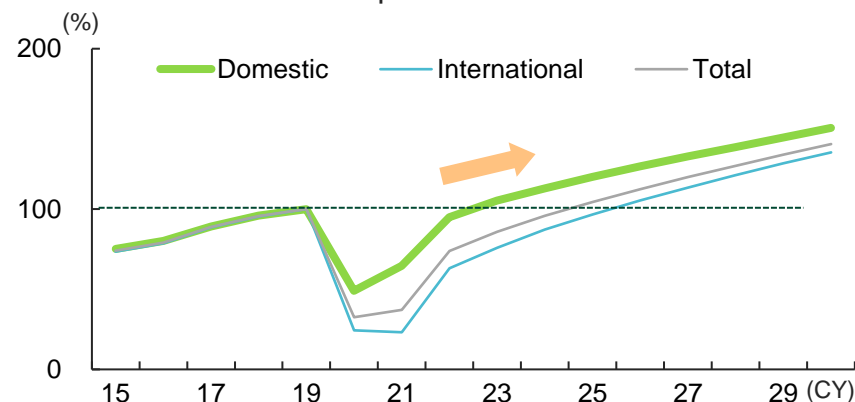
(USD mn)	FY3/21	FY3/22	YOY
Total revenue	1,214	1,479	+265
o/w Lease revenue	1,119	1,366	+247
Credit / Asset impairment charges^{*1}	334	907	(573)
Net income	17	(283)	(300)
Aircraft asset^{*2}	15,340	16,210	+870
Net asset	3,305	3,322	+17
ROE	0.5%	(8.5)%	(9.0)%

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 4.2years
	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

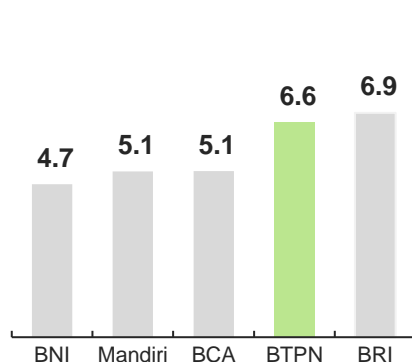
Group companies (5) BTPN

Financial results^{*1}

(JPY bn)	2019	2020	2021	Jan-Mar. 2022
Gross banking profit	99.6	91.1	106.2	28.2
Operating expenses	56.3	50.9	56.6	14.8
Net profits	20.3	12.9	21.6	6.4
ROE	9.9%	6.1%	8.6%	9.2%
Loans	1,119.9	1,008.0	1,098.4	1,210.1
Deposits	686.8	745.8	886.0	907.2
Total assets	1,434.9	1,355.4	1,554.5	1,635.4

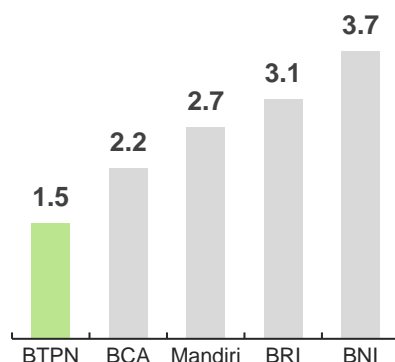
Net interest margin^{*2}

(%)

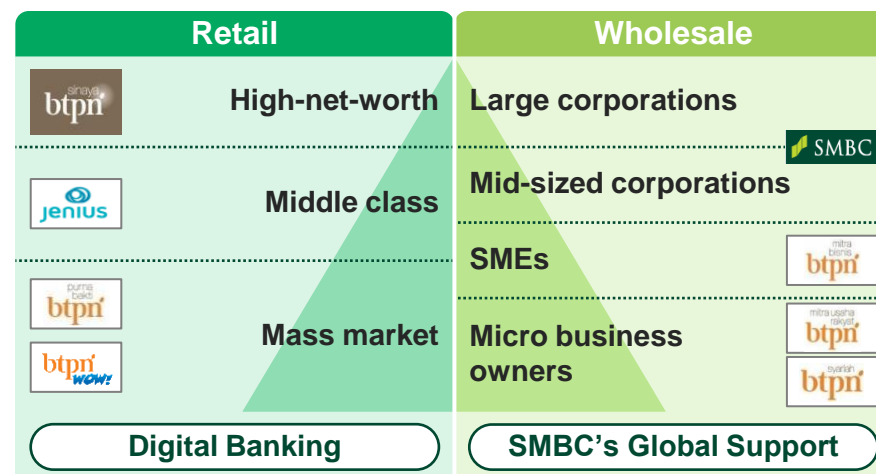


NPL ratio^{*2}

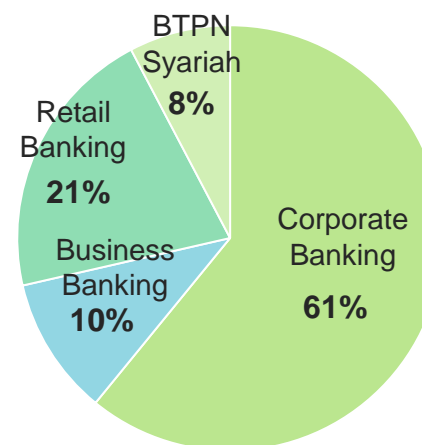
(%)



Customer



Loan breakdown^{*3}



^{*1} TTM as of Dec. 19: IDR 1 = 0.0079, Dec. 20: IDR 1 = 0.0074, Dec. 21: IDR 1 = 0.0081, Mar. 22: IDR 1 = 0.0085

^{*2} Based on each company's disclosure (Dec. 21 results) ^{*3} As of Dec. 21

Outline of investees

Fullerton India

Company name	Fullerton India Credit Company Limited	
Business	Excellent non-bank with nation-wide network	
Establishment	1994	
Address	Mumbai, India	
# of employees	Approx. 15,000	
Results*¹ (2022/3)	Net income	JPY 0.9 bn
	Total assets	JPY 441 bn

- Acquired 74.9% of shares for approximately JPY 220 bn

RCBC

Company name	Rizal Commercial Banking Corporation	
Business	6th largest regional bank in total assets	
Establishment	1960	
Address	Manila, Philippines	
# of employees	Approx. 6,000	
Results*¹ (2021/12)	Net income	JPY 15.9 bn
	Total assets	JPY 2.2 tn

- Acquired 4.99% of shares for approximately JPY 10 bn

FE Credit

Company name	VPBank SMBC Finance Company Limited	
Business	Leading player in the domestic CF industry	
Establishment	2015	
Address	Ho Chi Minh City, Vietnam	
# of employees	Approx. 13,000	
Results*¹ (2021/12)	Net income	JPY 1.6 bn
	Total assets	JPY 389 bn

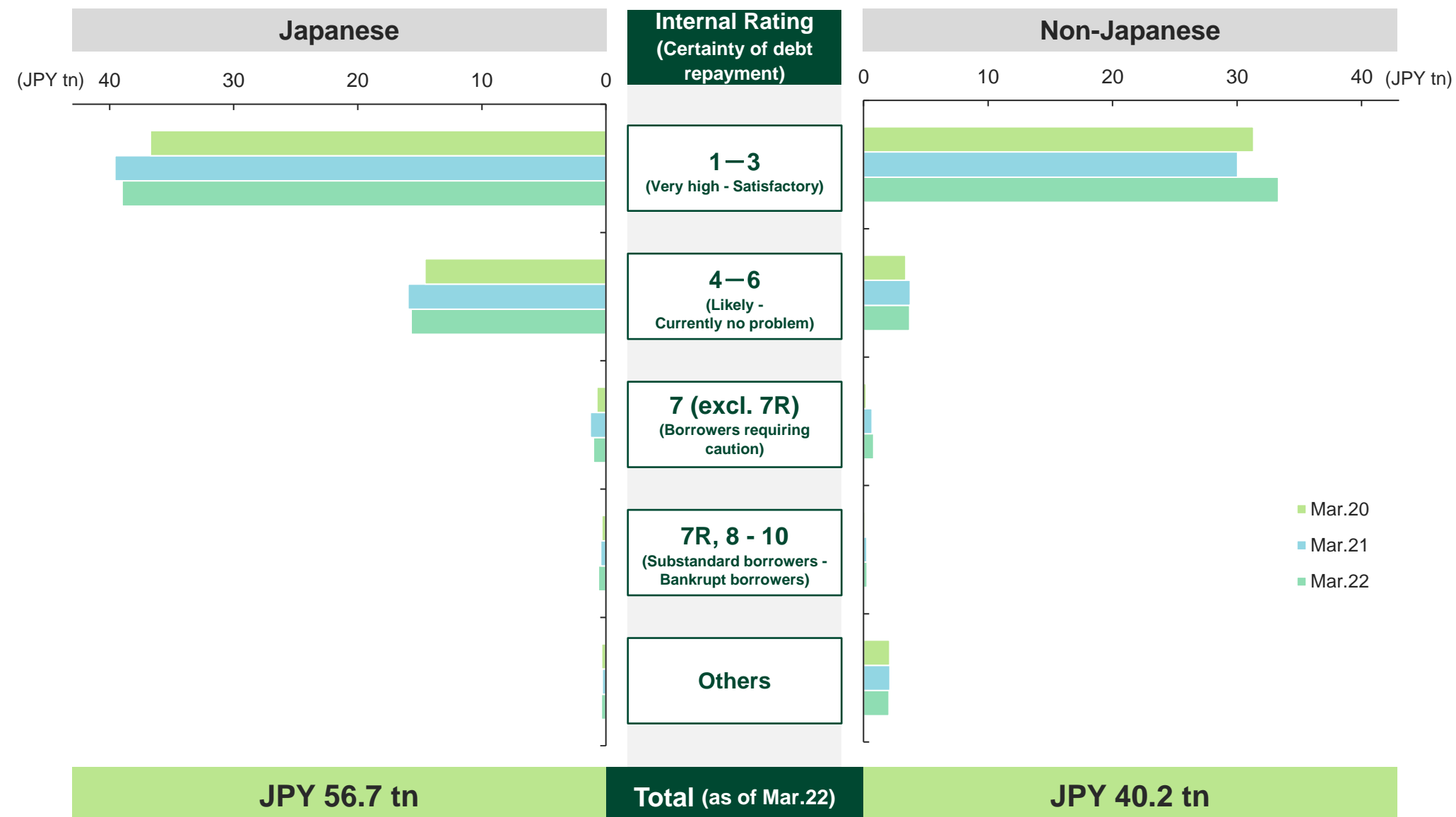
- Acquired 49.0% of shares for max. JPY 150 bn

Jefferies

Company name	Jefferies Financial Group Inc.	
Business	Independent securities	
Establishment	1962	
Address	New York, U.S.	
# of employees	Approx. 5000	
Results*¹ (2021/11)	Net income	JPY 189.8 bn
	Total assets	JPY 6.9 tn

- Acquired 4.3% of shares for approximately USD 400 mn

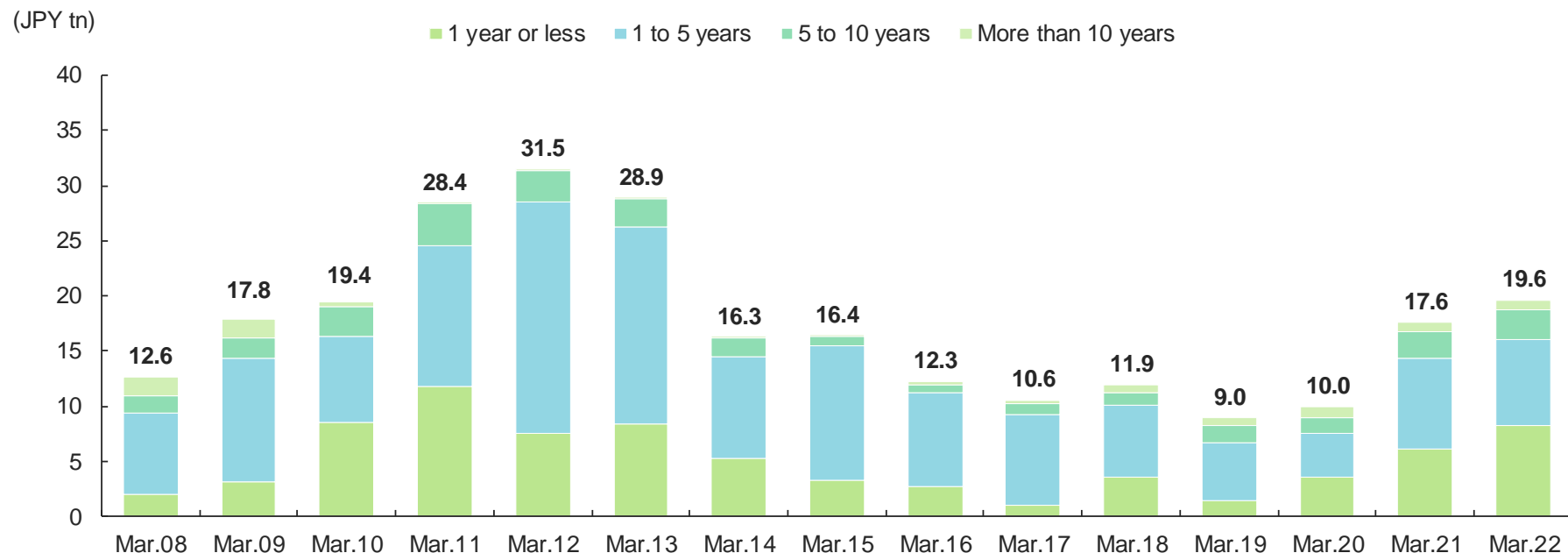
(Ref.) Breakdown by internal ratings*1



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

Yen bond portfolio

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



of which JGBs
(JPY tn)

13.8 14.0 9.8 8.0 9.3 6.3 7.1 14.3 15.8

Average duration (years) ^{*1}	2.4	1.8	1.1	1.4	1.9	1.8	1.1	1.8	2.8	2.9	2.3	3.2	2.9	2.5	2.8
Unrealized gains (losses) (JPY bn) ^{*2}	(129.5)	(1.2)	116.1	71.9	104.4	95.3	60.0	45.9	103.8	57.5	44.2	60.5	21.4	7.9	(49.4)

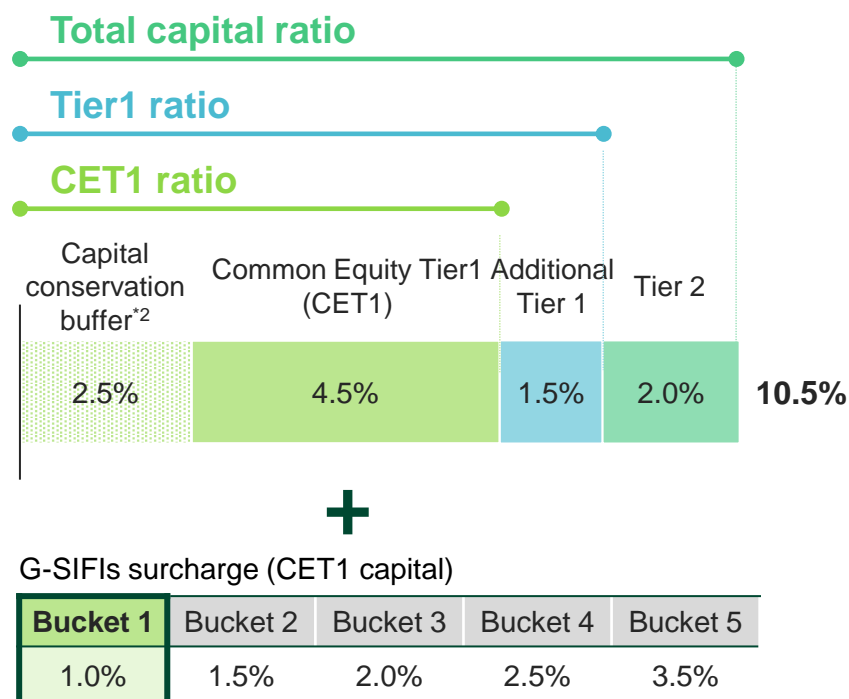
*1 Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero

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

Application of Basel III (capital ratio)*1

		Mar.24	Mar.25	Mar.26	Mar.27	Mar.28	Mar.29
RWA	Revised standardized approach and internal ratings-based framework for credit	Implement					
	Revised credit valuation adjustment (CVA) framework						
	Revised operational risk framework						
	Output floor	50%	55%	60%	65%	70%	72.5%

Capital requirements

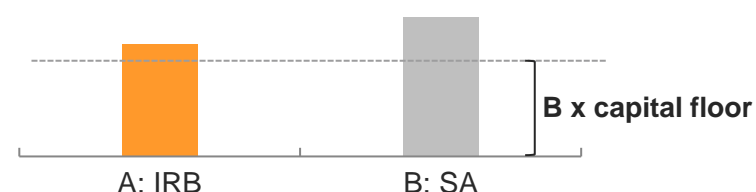


Implementation of output floor

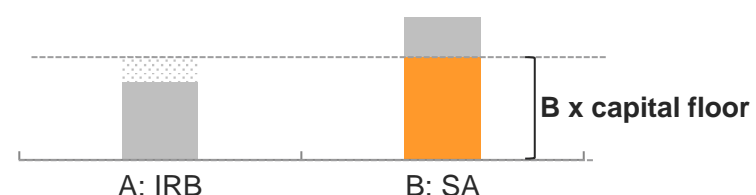
A: RWA based on internal ratings-based approach (IRB)

B: RWA based on standardized approach (SA)

$A > B \times \text{capital floor} \rightarrow \text{RWA} = A$



$A \leq B \times \text{capital floor} \rightarrow \text{RWA} = B \times \text{capital floor}$



*1 JFSA announced that it will postpone the implementation of unimplemented Basel III standards until Mar.24

*2 Countercyclical buffer (CCyB) omitted *3 Internal ratings-based approach *4 Standardized approach

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

(As of May. 2, 2022)

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

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

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

(As of May. 2, 2022)

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

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