



Investors Meeting FY3/2022

May 19, 2022



SUMITOMO MITSUI
FINANCIAL GROUP

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

First of all, several employees and officers of SMBC Nikko Securities were arrested and indicted on suspicion of violating the Financial Instruments and Exchange Act. SMBC Nikko was also indicted as a legal entity following the dual criminal liability provision.

I sincerely apologize for any inconvenience and concern this may cause our stakeholders.

I also take it very seriously that SMBC Nikko, a securities company, damaged the trust of market. We, as a parent company, have responsibility for governing the subsidiary.

We will firmly support SMBC Nikko to take necessary measures to prevent recurrence of issues and verify the problems of our governance system in order to recover the trust from stakeholders as soon as possible.

Now let me move on to the presentation.

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.

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This is a brief summary of the FY3/22 results.

Consolidated net business profit increased YoY and exceeded the target due to yen depreciation and strong growth of Retail, Wholesale, and Global Business Units, offsetting the losses on the sales of bonds in Global Markets Business Unit and impairments of leasing aircraft in SMBCAC.

Negative impact of SMBC Nikko' case was about JPY 10 bn as transactions with institutional investors and underwriting of corporate / municipal bonds decreased after the news report came out last November.

Credit cost exceeded the forecast of JPY 200 bn which was revised downward last November but was within expectation excluding the JPY 75 bn of provision for Russian exposures which was not included in the forecast.

Gains on stocks increased sharply YoY due to gains on the sales of strategic shareholdings.

As a result, profit attributable to owners of parent was JPY 706.6 bn, increasing YoY and exceeding the full-year target, while preparing for future uncertainties of the situation in Russia and proactively responding to risks, such as a) recording provision for loss on interest repayment in the consumer finance business and b) impairment loss of branches and software in the retail business.

Please turn to page 8.

(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}	
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

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(Ref.) FY3/23 target*1

Consolidated

(JPY bn)	Results FY3/22	Target	
		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 FY3/22	Target	
		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

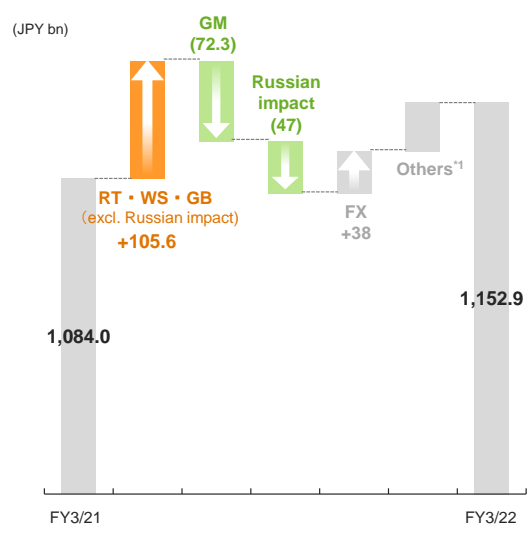
*1 Assumption: USD 1 = JPY 120

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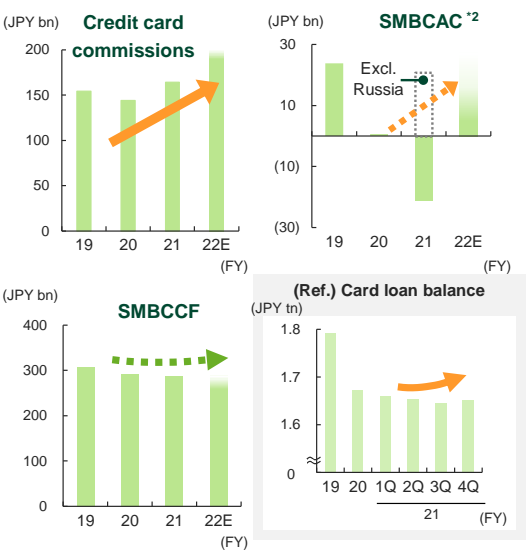
Consolidated net business profit

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



*1 Incl. recovery from COVID-19 *2 After considering ownership ratio

The total profit of Retail, Wholesale, and Global Business Units increased by more than JPY 100 bn excluding the impact of Russia and COVID-19. This drove a substantial increase of consolidated net business profit in FY3/22.

The right-hand side shows businesses which had larger impact from COVID-19.

Credit card business has already exceeded its pre-COVID level and is showing good growth rate, while aircraft leasing business has almost recovered excluding the Russian impact.

On the other hand, consumer finance business will take more time to recover to its pre-COVID level as the loan balance dropped drastically in FY3/21. However, the balance is now bottoming out and is expected to increase as individual consumption recovers.

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

This slide shows the financial impact from Russia.

Two factors of direct impact on our profits are 1) the impairment of aircraft leased to Russian airlines at SMBCAC and 2) credit cost for Russian exposure at SMBC.

SMBCAC issued notices to all Russian airline customers terminating the leasing and requiring the grounding of all aircraft as disclosed in March.

Approximately half the amount of book value was recorded as impairment in SMBCAC and the negative impact on our consolidated net business profit was JPY 47 bn.

SMBCAC is proceeding the application of insurance to minimize the financial impact.

SMBC booked JPY 75 bn of credit cost including forward-looking provisions for further credit deterioration in the future.

This is approximately 30% of the exposure to Russian borrowers.

In total, negative impact to bottom-line profit in FY3/22 was JPY 100 bn.

For FY3/23, further negative impact would be absorbed with forward-looking reserves and impairments booked in FY3/22.

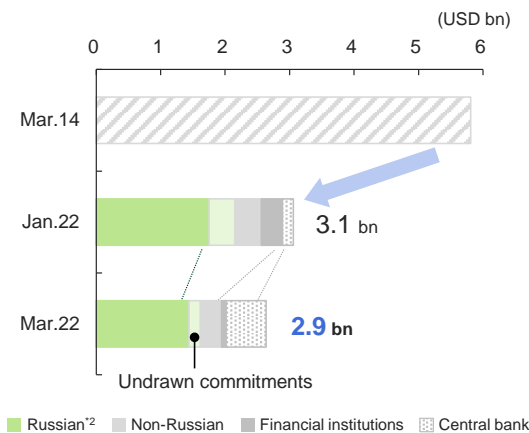
However, we will pay close attention and take appropriate measures as upside and downside volatility remains.

Please turn to page 11.

(Ref.) SMBC Group's update on Russia

Banking business (incl. local subsidiary) **

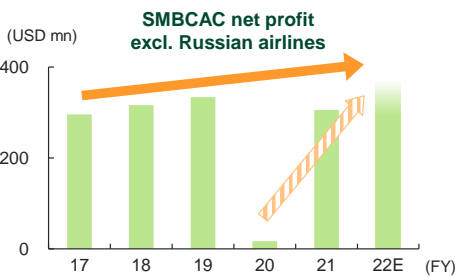
- Decreased by USD 200 mn from Jan.22
- Deposits in central bank increased instead of repayment of Rubles loans



*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.

Aircraft leasing

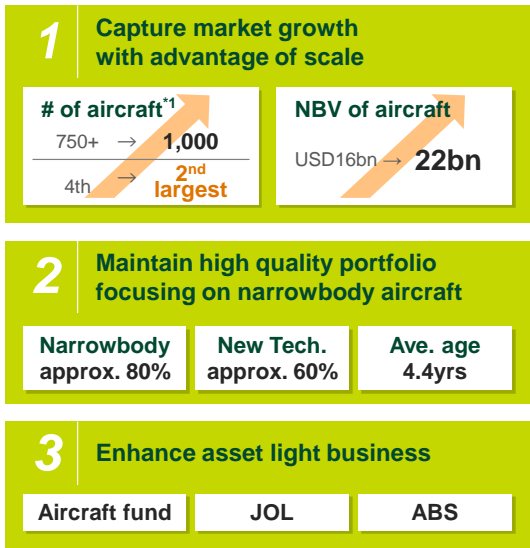
- NBV of aircraft in Russia: USD 0.8 bn, approx. 6% of all aircraft (after impairment on Mar.22)
- Notice issued to all Russian airline customers terminating the leasing, and requiring the grounding, of all aircraft (Collected 1 out of 35 aircraft)
- All aircraft are insured
- Performance has been recovering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



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} Including managed and ordered aircraft
^{*2} Financial impact to SMFG

Investment criteria



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This slide shows recent acquisition of Goshawk by SMBCAC.

Airline industry has suffered low passenger demand under pandemic since 2020, but it turned to recovery trend excluding Russian impact.

SMBCAC made impairment of aircraft leased to Russia airlines in FY3/22, however, business in other regions is recovering to its pre-COVID level and we expect this trend to continue.

The acquisition of Goshawk is intended to capture the recovery and growth of industry and make solid business platform to enhance business with scale of economies.

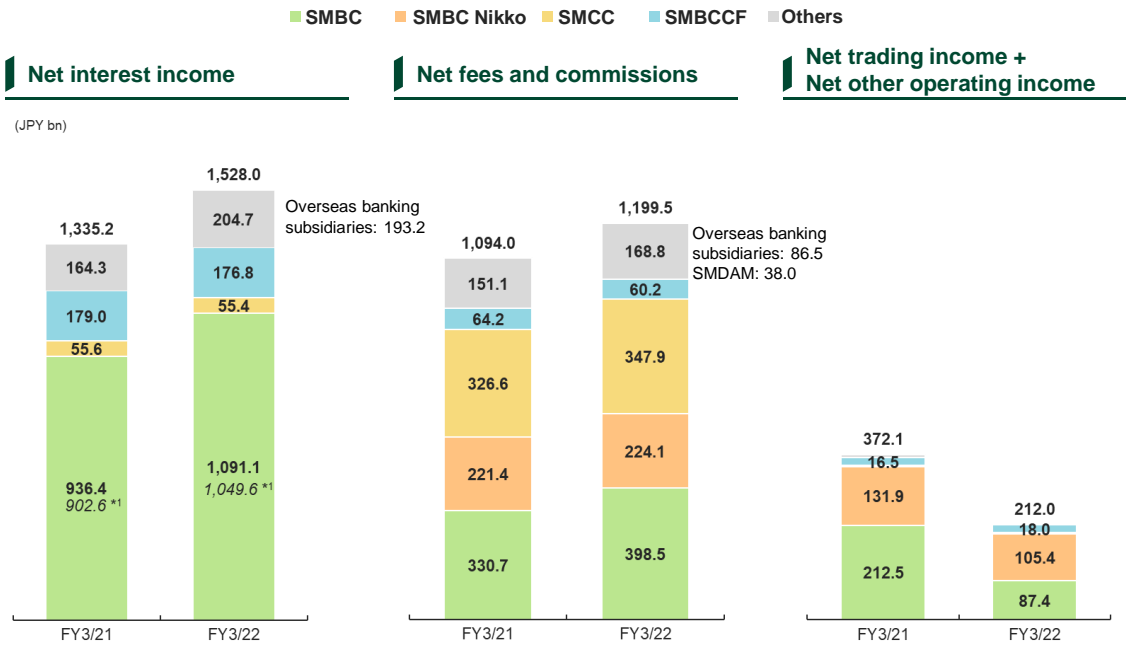
SMBCAC aims to increase bottom-line profit to USD 700 mn in five years.

Aircraft leased to Russia are excluded from the portfolio and the purchase price was agreed with PBR 0.95x at USD 1.5 bn which is below book value.

In addition, there is an insignificant impact on our CET1 ratio since SMFL will underwrite preferred stocks using its accumulated capital.

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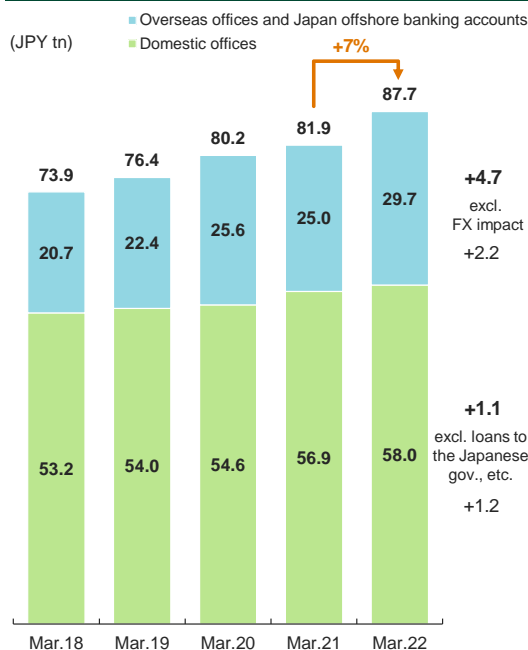
Consolidated gross profit



*1 Excluding gains on cancellation of investment trusts

Loans*1

Loan balance



*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 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

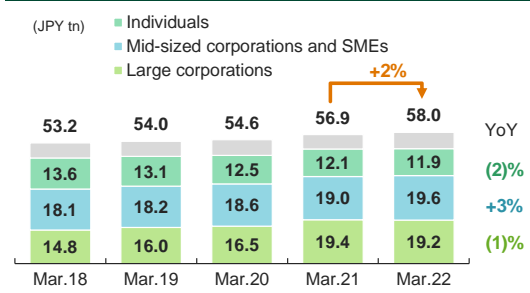
Average loan balance and spread*2

	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

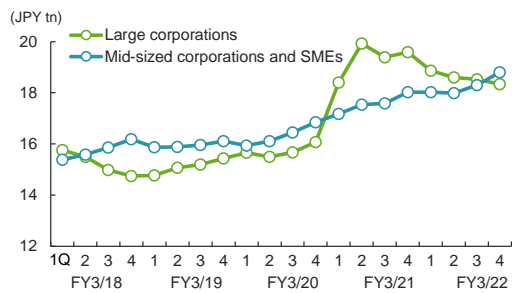
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Domestic Deposit and Loan*1

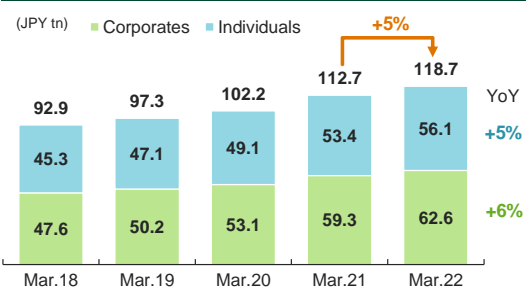
Loan balance*2



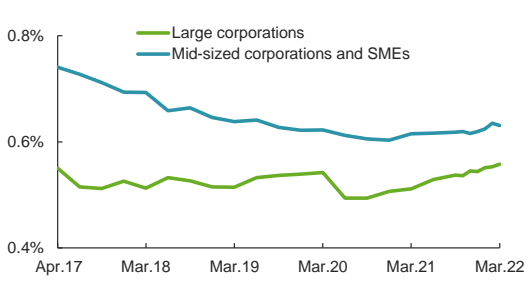
Loan average balance for corporates*2,3



Deposit balance



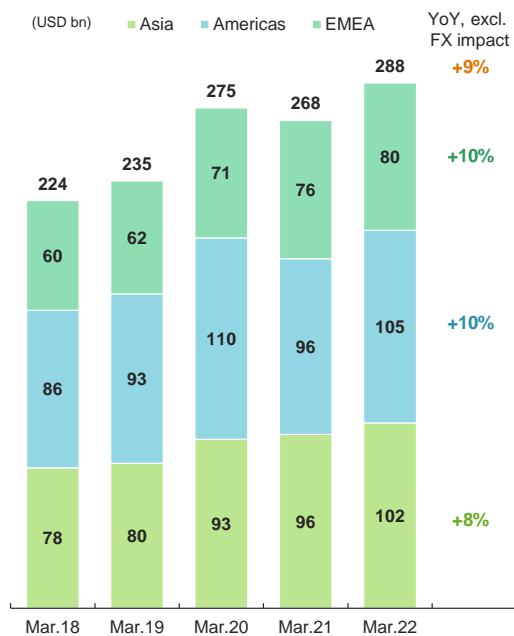
Loan spread for corporates*2,4



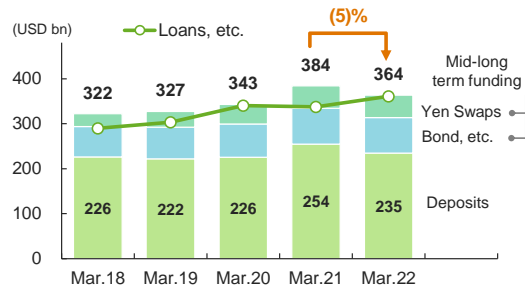
*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average, excluding loans to the Japanese government
Figures for SMEs are the outstanding balance of Corporate banking division
*4 Loan spread of existing loans, excluding loans to the Japanese government

Overseas loans and deposits*1

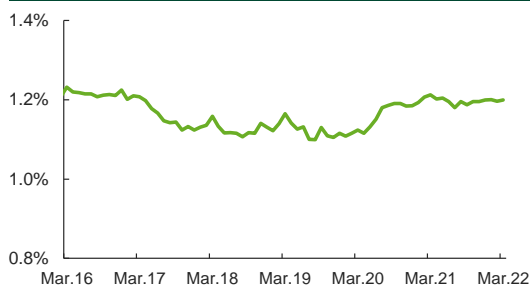
Loan balance



Foreign currency balance



Loan spread*2

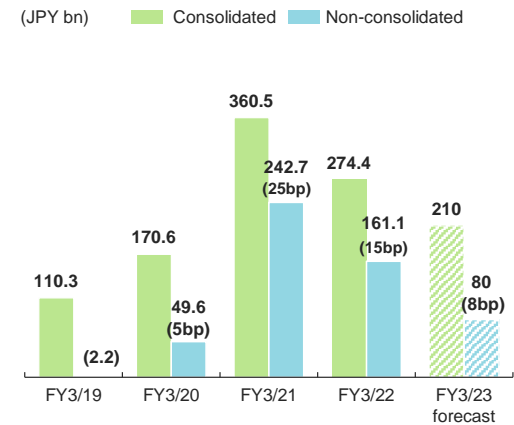


*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries
*2 Monthly average loan spread of existing loans

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Asset quality

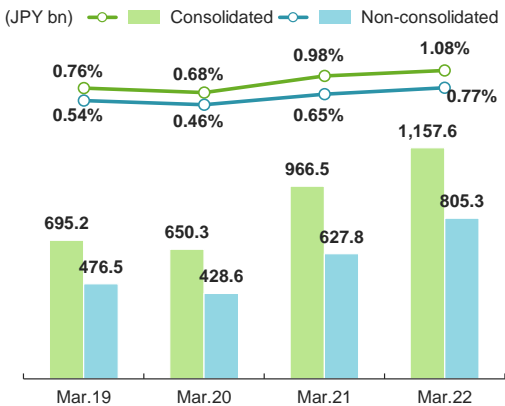
Credit costs^{*1}



Major group companies

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

Non-performing loan balance^{*2}



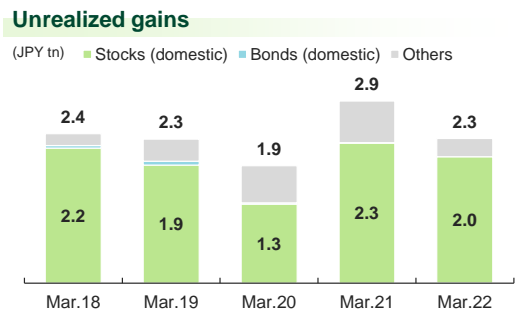
Total claims

	(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

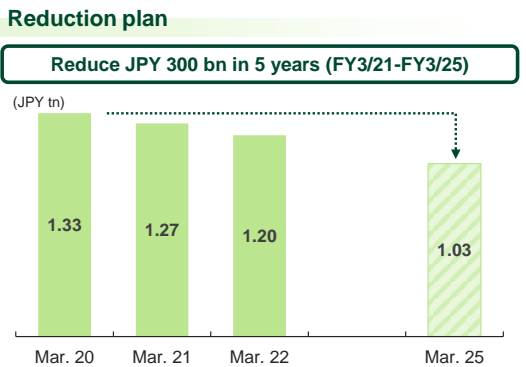
^{*1} Total credit cost ratio = Total credit cost / Total claims
^{*2} NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

Securities (1)

Breakdown of other securities (consolidated)					
	B/S amount		Unrealized gains (losses)		
	(JPY bn)	Mar.22	vs Mar.21	Mar.22	vs Mar.21
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)

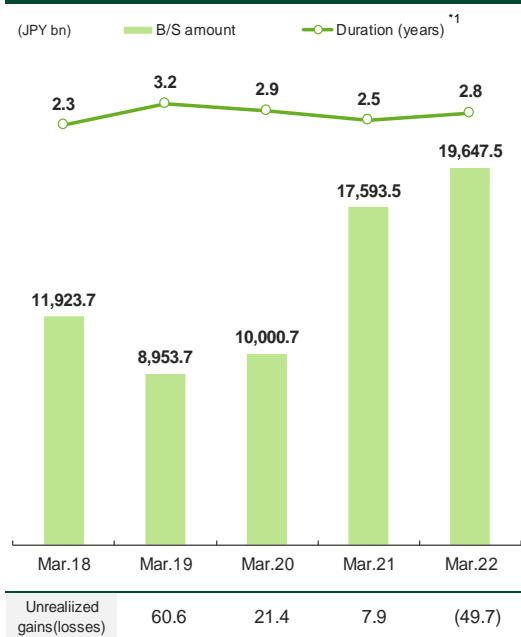


Strategic shareholdings	
Total reduction	JPY 122 bn
FY3/21	JPY 55 bn
FY3/22	JPY 67 bn
Consent of sales from clients outstanding	JPY 58 bn
Reduction + Consent	JPY 181 bn

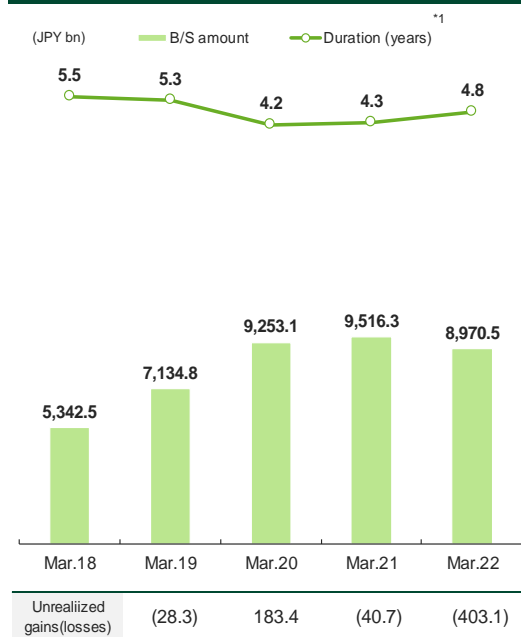


Securities (2)

Yen-denominated bonds (Non-consolidated)



Foreign bonds (Non-consolidated)



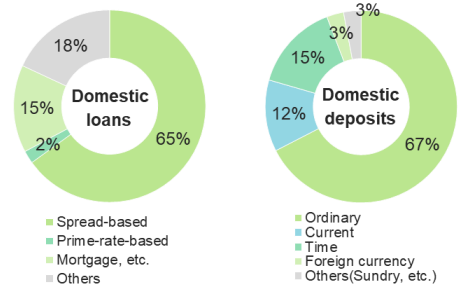
^{*1} Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero

Balance Sheet

Consolidated

	(JPY bn)	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)
o/w Mid-sized corporations & SMEs ^{*2}		19.6	+0.5
o/w 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)
o/w JGBs		15.8	+1.5
o/w 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
o/w Individuals		56.1	+2.7
o/w 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}

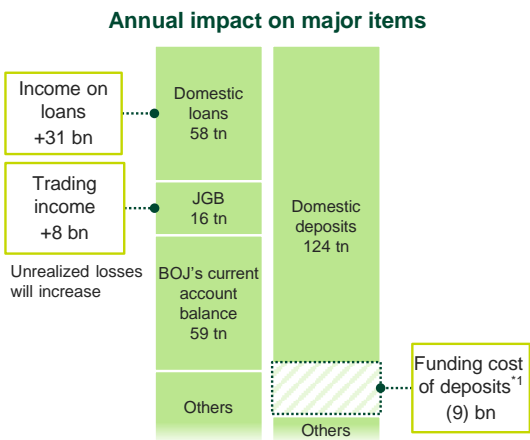
	(USD bn)
Interest earning assets	361
Others	125
Foreign bonds, NCD	69
Deposits (incl. deposits from central banks)	235
Mid-long term funding (incl. corporate bonds, currency swaps, etc.)	129
CD/CP	74
Interbank (incl. Repo)	117

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



<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

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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)
ROCET1 ^{*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
ROCET1 ^{*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

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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
ROCE1 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)
ROCE1 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

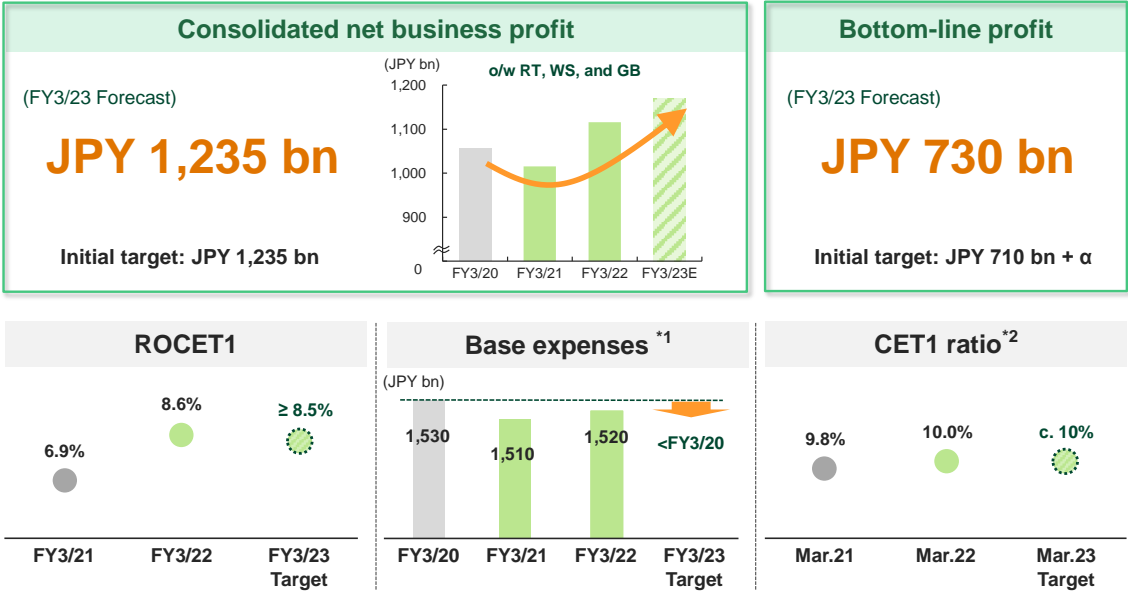
Next, I will explain our growth strategies in the Medium-Term Management Plan.

The environment surrounding us is extremely severe: the situation in Russia, macroeconomic trends, and SMBC Nikko' issues.

Yet, I would like to make this year a fruitful one by firmly completing the final year of the current Medium-Term Management Plan and prepare for the next one.

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

We have made good financial progress so far as each of the initiatives in the Medium-Term Management Plan is steadily bearing fruits.

I am pleased to announce this year’s targets for consolidated net business profit and bottom-line profit at the level initially expected in the Medium-Term Management Plan.

Especially in FY3/23, we aim to exceed the initial expectation of total net business profit of Retail, Wholesale, and Global Business Units after catching up from the delay due to COVID-19.

Fulfilling the FY3/23 targets means we can achieve our targets of the Medium-Term Management Plan “to increase net business profit by JPY 100 bn excluding one-time profit and bottom-line profit by 10% in core earning basis”.

Negative impact of SMBC Nikko case in FY3/23 is expected to be more than two times as large as in FY3/22, based on the assumption that transactions with institutional investors and underwriting business decrease.

Three KPIs are making steady progress.

I will explain our major initiatives in section.

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

btpr

Fullerton India

FE CREDIT

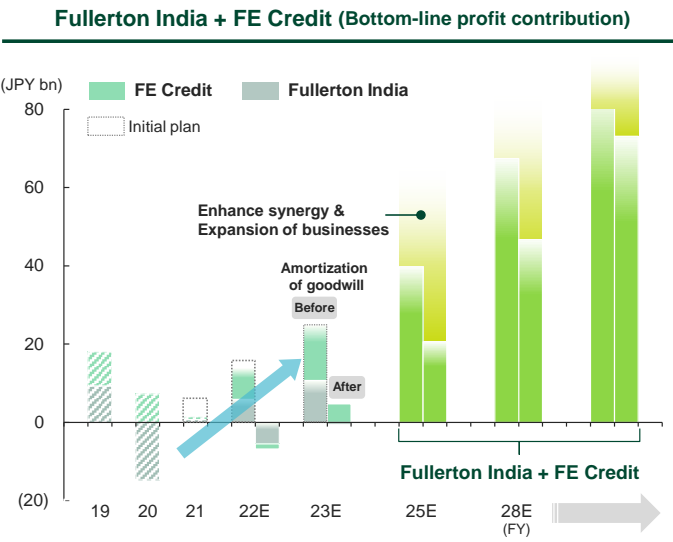
RCBC

SMBC Group synergies

Governance systems

Additional investment / Expanding the platform

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



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First is our multi-franchise strategy in Asia.

We invested in India, Vietnam, and the Philippines in FY3/22 and completed the entry into our target countries, together with Indonesia, where we had already established operations.

We aim to focus on PMI with the leadership of newly established Asia Business Strategy Division by creating synergies as a group and strengthening our governance system.

We do not intend to further expand our targeting countries now, but we will continue to study opportunities to enhance our existing platforms and make additional investments.

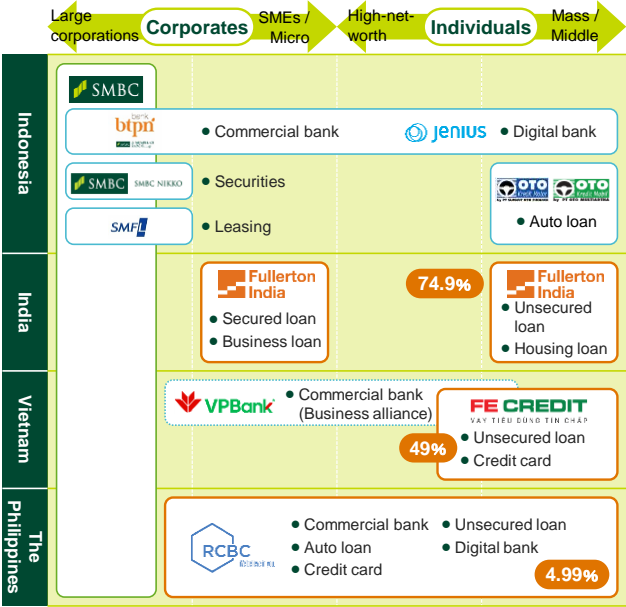
As part of these efforts, we entered a business alliance in May with Vietnam Prosperity Bank, the parent company of FE Credit.

On the right-hand side, the bottom-line profit contribution image of FE Credit and Fullerton India is updated from last November.

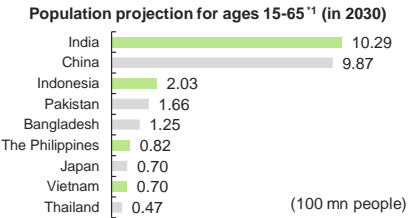
FY3/22 result was lower than originally planned as COVID-19 impact remained longer than expected, but now we can see signs of recovery and expect to catch up to the level that we originally planned in FY23.

We will pursue further upsides by realizing synergies and expanding our businesses platform.

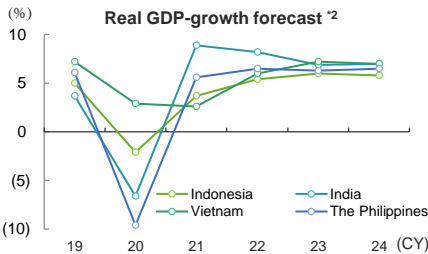
(Ref.) Multi-franchise strategy



Working-age population supporting economic growth



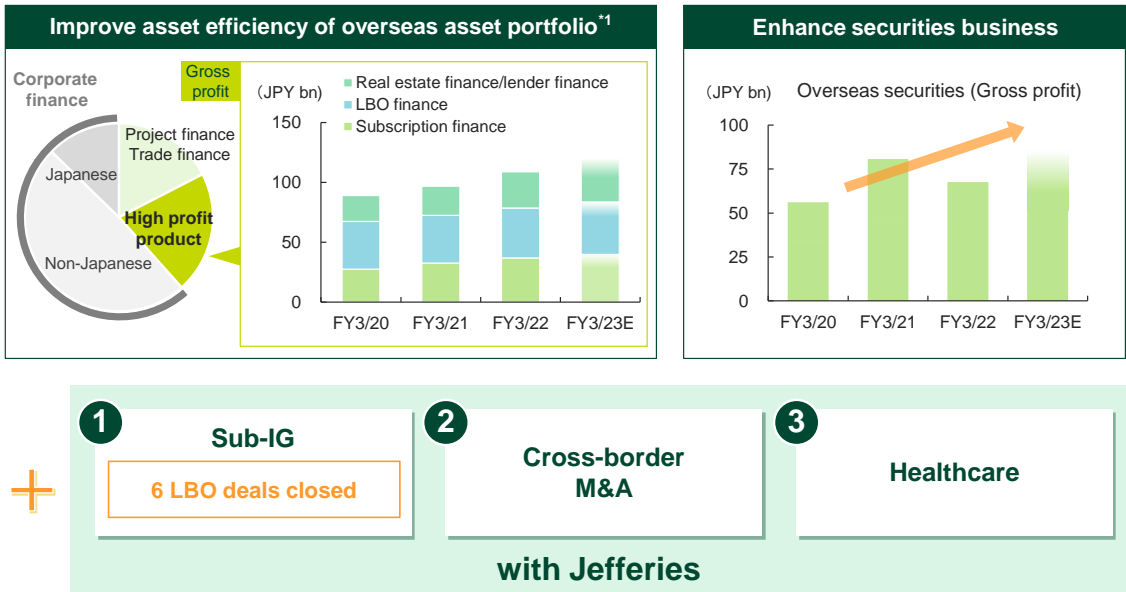
Strong economic growth



*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.



*1 RWA basis

Enhancing overseas CIB business to establish business model which does not depend too much on expanding balance sheet is one of the most important strategies.

To improve asset efficiency, we focus on high profit products such as LBO financing and subscription financing.

We intend to capture opportunities by responding flexibly to market conditions and being careful about credit risk, as this is an area where we can expect growth with the backdrop of ample funds liquidity.

Securities business is also steadily growing, excluding the one-time impact from strong bond issuing market under COVID-19 in FY3/21.

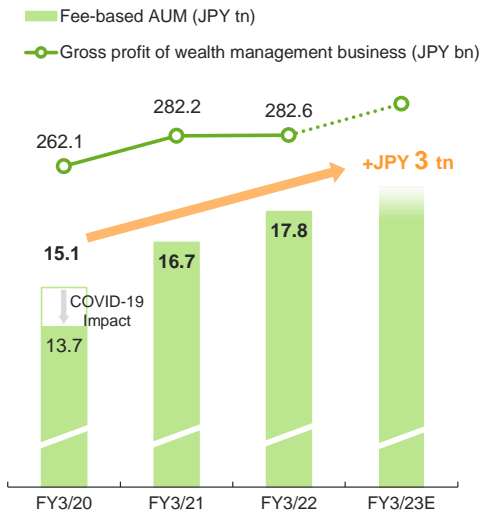
In business collaboration with Jefferies, we are building up deals mainly in sub-investment grade business.

We will accelerate growth of overseas securities business by making track records of collaborations in cross-border M&A and healthcare business, as well as expanding collaborations areas.

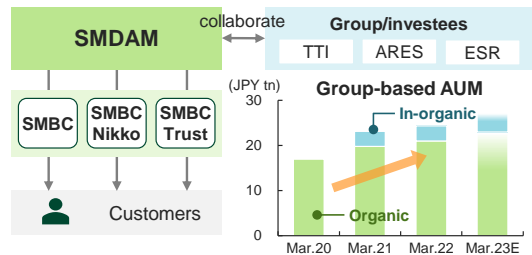
Sustainable growth of wealth management business

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

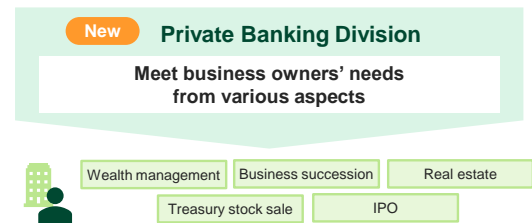
Balance of fee-based AUM



Enhance product supplying



Business owners



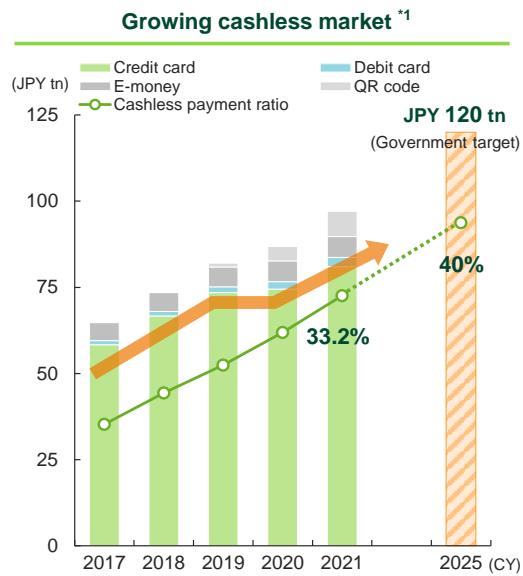
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Wealth management business maintained an upward trend in FY3/22 due to the successful group-wide operations.

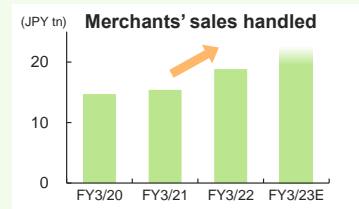
Although market condition continues to be unstable, we will further accelerate collaboration within the group such as enhancing capability of supplying product at SMDAM and approaching business owners from various aspects at the newly established Private Banking Division.

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.



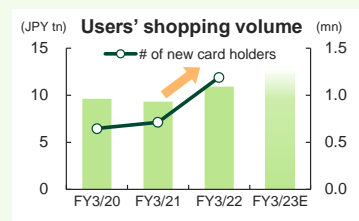
Acquiring



stera
The Payment Platform
Over 100K units

Custella
Total 200 companies

Issuing



Number-less card
(Feb.21)

V-Point App

*1 Illustrated by SMFG referring to METI's disclosure

Next is payment business.

As shown in the growth of the domestic cashless payment market, the use of credit card/debit card, which we focus on, recovered sharply in FY3/22 after its temporary slowdown due to COVID-19.

This was mainly because daily use like shopping in supermarkets, convenience stores, or e-commerce increased rapidly, in addition to the traditional use like travel or restaurants.

Both merchants' sales handled and users' shopping volume increased largely in light of the market growth.

In the acquiring business, the number of stera terminals installed exceeded 100K in 1.5 years since its release in July 2020.

As expecting a decent amount of new installments in FY3/23 including large merchants, we could achieve the initial target of installing 300K units in 5 years ahead of schedule.

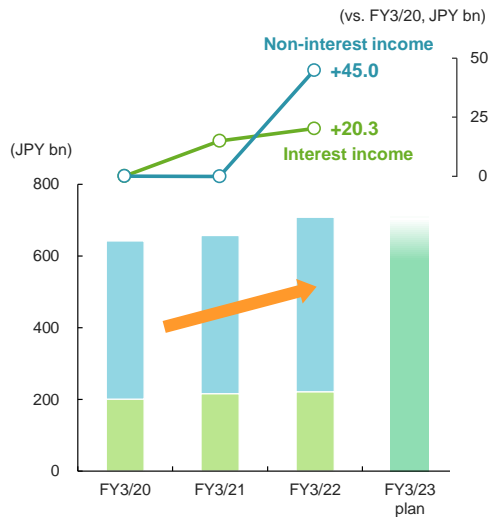
In the issuing business, number-less card launched in February 2021 became a hit mainly within younger generation.

The number of new cardholders has increased at a higher pace, because users highly appreciate not only the appearance but also the digital functions equipped.

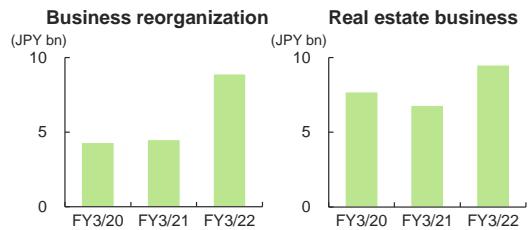
Improve profitability of domestic wholesale business

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



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Domestic corporate business continues to perform well.

Interest income has maintained an upward trend, due to the increase of loan balance to SMEs and the recovery of spread to its pre-COVID level, as shown in page 14.

Non-interest income increased significantly in FY3/22 because of 1) revitalization of corporate activities after COVID-19 and 2) steady implementation of major strategies of the Medium-Term Management Plan.

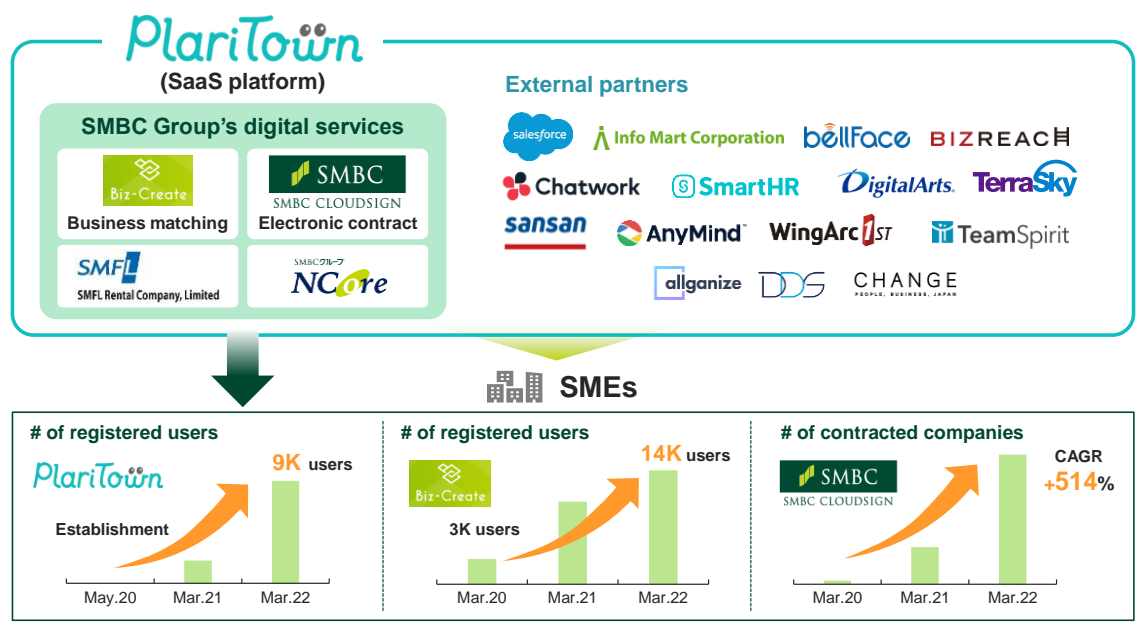
In particular, businesses with SMEs are active.

As clients' needs for effective use of real estate or business restructuring became clear after COVID-19, business opportunities in these area has been increasing.

In light of the revision of the Banking Act, we will be the first as a megabank to enter the business investment market and aim for bottom-line profit of JPY 15 bn in the medium- to long-term. We will also contribute to the development of industries by leading the business restructuring of both growing and matured companies.

Digital solutions for corporate customers

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



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Next is digital solutions for corporate customers.

Plaritown was established in 2020 to support SME’s digitalization.

This is a SaaS platform which provides variety of digital services such as customer management, sales support, and recruitment.

Since customers’ needs for digitalization have accelerated after COVID-19, the number of registered users increased to 9K.

Users of SMBC Group’s services such as Biz-Create and SMBC Cloudsign are increasing as well as the number of partner vendors.

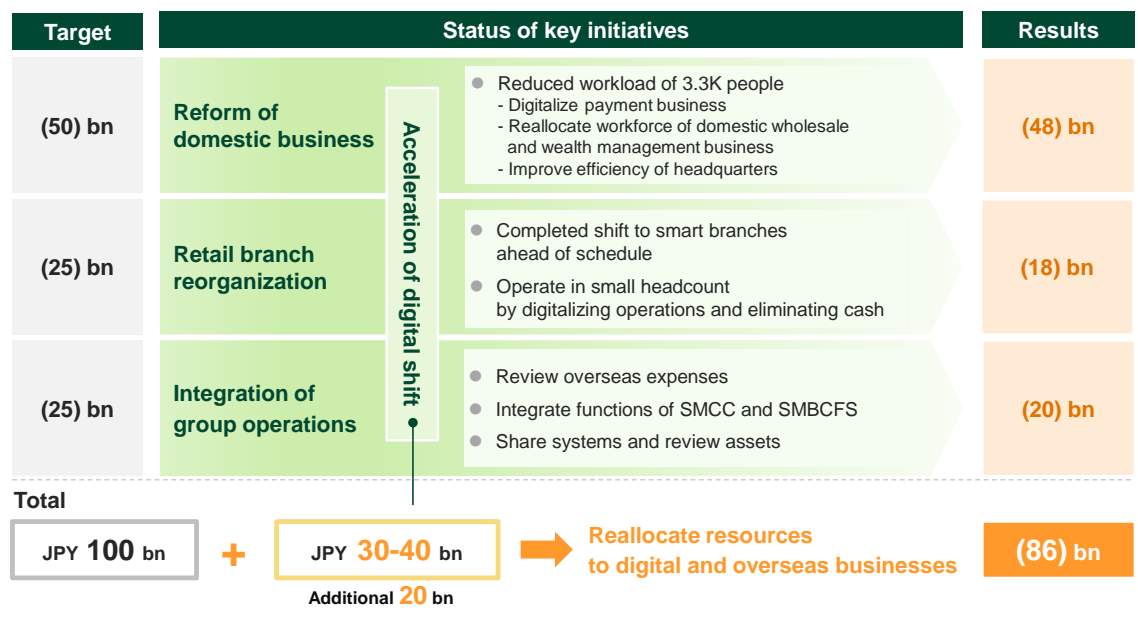
We will not only expand the platform but also challenge on monetizing the business by developing each service to top-level within its field.

I always tell the CEOs of the digital subsidiaries to be open minded and that IPO is always welcome.

I am expecting them to be role models that break out of the box as well as to contribute to the Group’s profit. I will continue to fully support them.

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.



The end of growth strategy is about cost control.

Our initiatives are making good progress and annual reduction of JPY 86 bn was already realized in the first two years.
Therefore, we will increase another JPY 20 bn on top of the adjusted target, which was increased by JPY 10-20 bn from the initial target of JPY 100 bn.

These reduced resources will be reallocated to positive investments for our topline growth such as digitalization and overseas businesses.

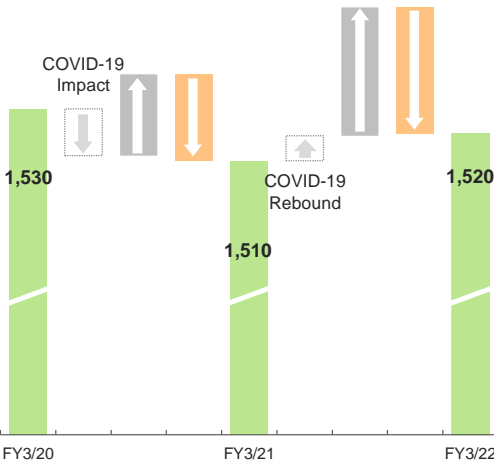
Please proceed to page 36.

(Ref.) Base Expenses and headcount

Base expenses ^{*1}

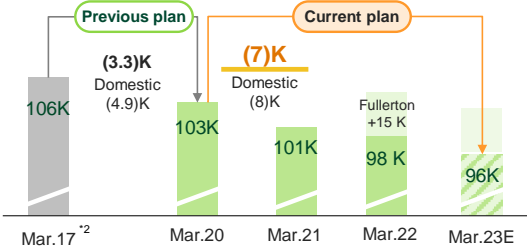
(JPY bn)

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

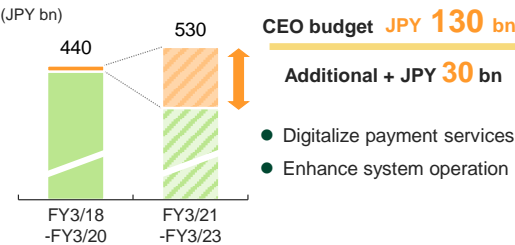


^{*1} G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others.
Exchanged at USD1=JPY105. ^{*2} Added the impact of group reorganization retrospectively.

Headcount



IT investment



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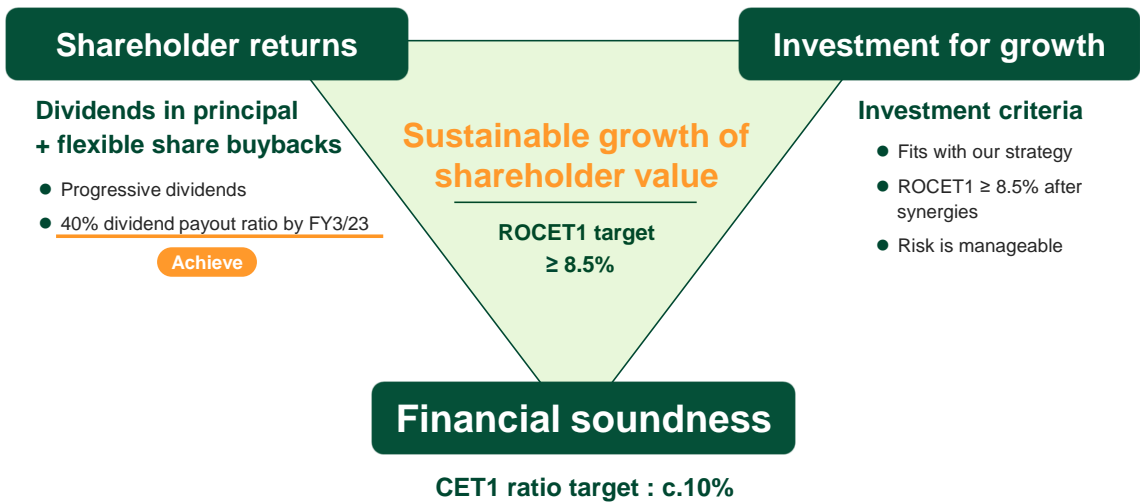


III. Capital Policy

Next, I will explain our capital policy.

Basic Capital Policy

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

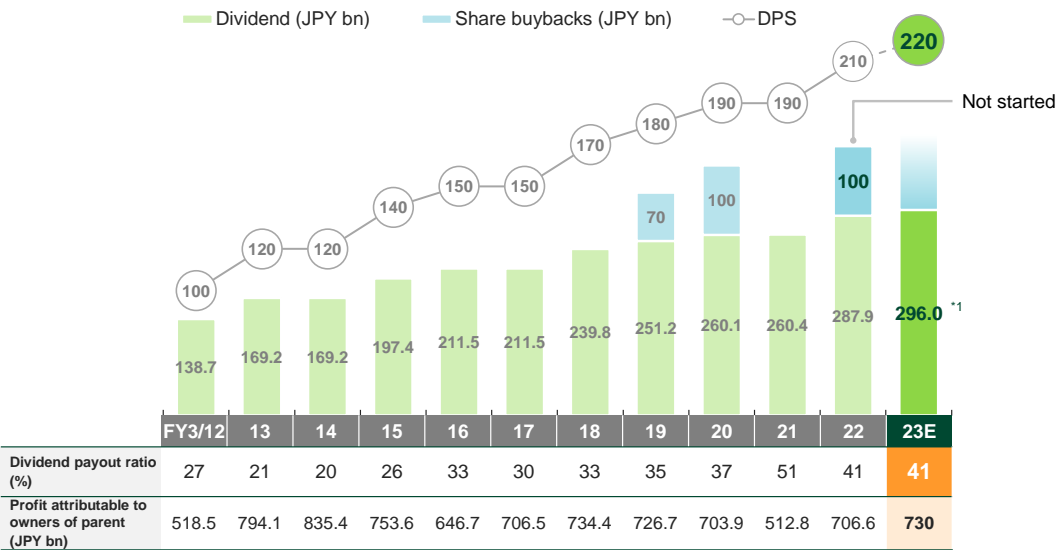


Our basic capital policy remains unchanged; we will achieve a healthy balance among securing financial soundness, enhancing shareholder returns, and investing for growth.

We expect to achieve “dividend payout ratio of 40% by FY3/23”, which has been our target from the previous Medium-Term Management Plan announced in FY3/18.

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.



^{*1} After executing share buyback announced in Nov. 21

We increased DPS by JPY 10 to JPY 220 in order to achieve 40% of dividend payout ratio, with bottom-line profit target of JPY 730 bn.

It is my pleasure that we are going to carry out our commitment of dividend payout ratio with bottom-line profit expected in the Medium-Term Management Plan, not by temporarily exceeding 40% due to lower profit under COVID-19.

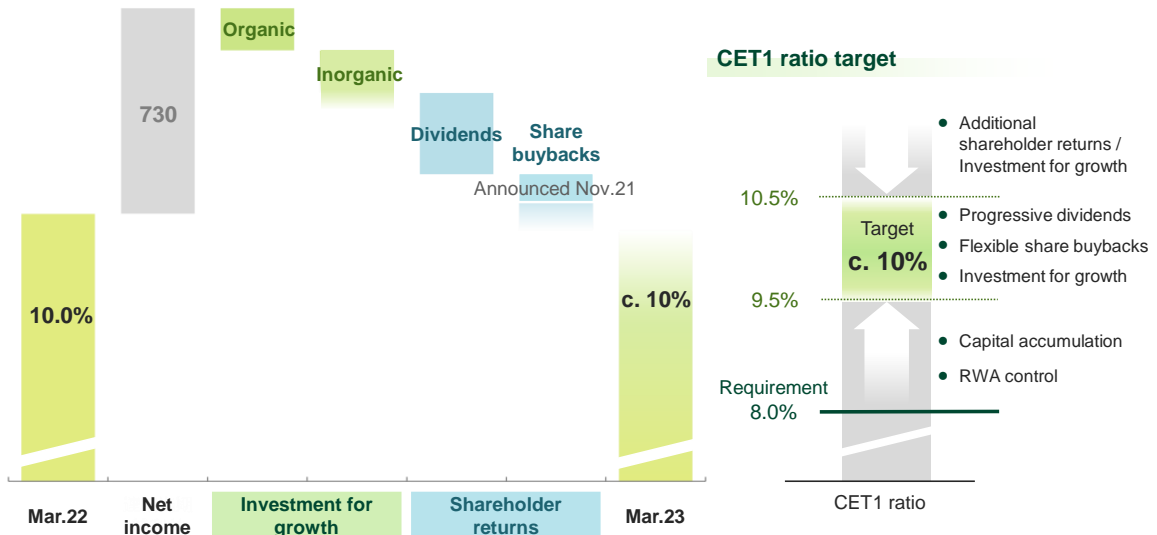
Meanwhile, we have not started placing buyback orders for the up to JPY 100 bn share buyback that we announced last November yet, as the outcome of the SMBC Nikko case is still unclear. It is difficult to foresee when we can start, but we aim to execute within the repurchase period.

We decided not to announce additional share buyback at this time. This is because of an uncertain macro economic environment such as inflation or global financial policies, in addition to Russian impact.

We will continue to pursue the opportunity for additional share buybacks in FY3/23 while assessing such impacts. As explained before, repurchase progress of existing program announced in last November will not affect our decision making for new share buybacks.

Capital Allocation

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



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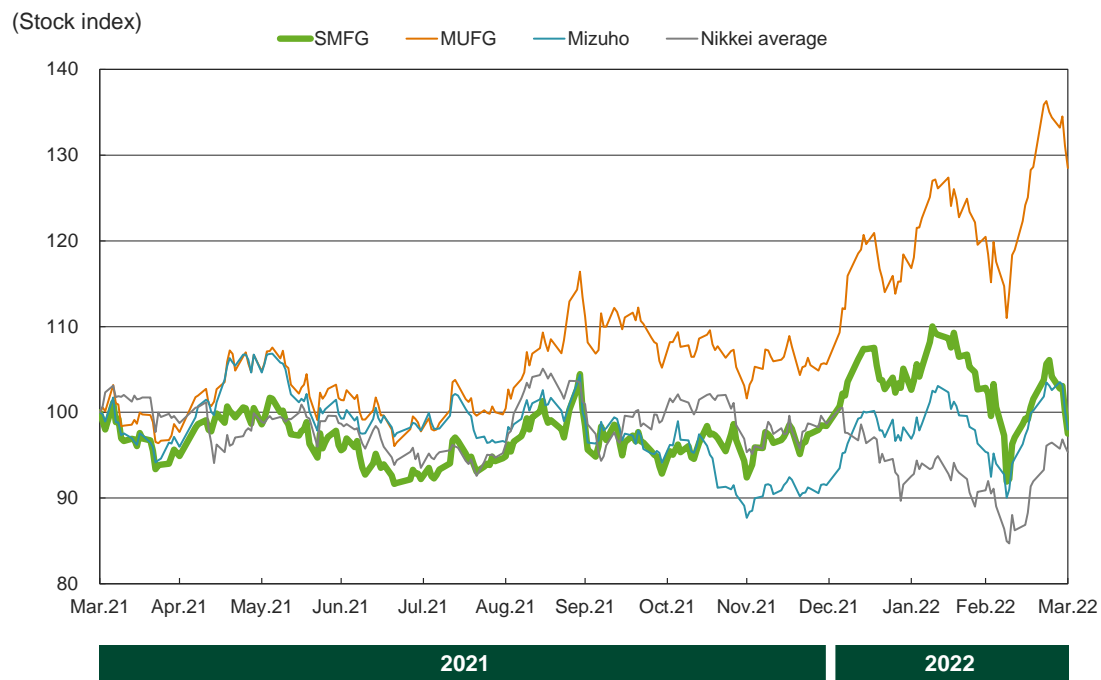
This slide shows the image of our capital allocation.

CET1 ratio as of the end of FY3/22 was 10.0%.

Increase of RWA due to 1) a part of JPY 2.6 tn COVID-19 related loans shifting to working capital and 2) yen depreciation was offset by c.40bp positive impact from measurement method reforming of Post-Basel III.

We will allocate bottom-line profit of JPY 730 bn to investment for growth and shareholder returns in a right balance, while managing our CET1 ratio around 10% as initially targeted.

Stock price performance in FY3/2022



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I am not satisfied with our stock price, which has been at a very low level for a long time. In particular in FY3/22, it significantly underperformed compared to our peer.

I understand the market is skeptical about our comparatively large business portfolio in Russia, the case of SMBC Nikko, and several inorganic investments in FY3/22.

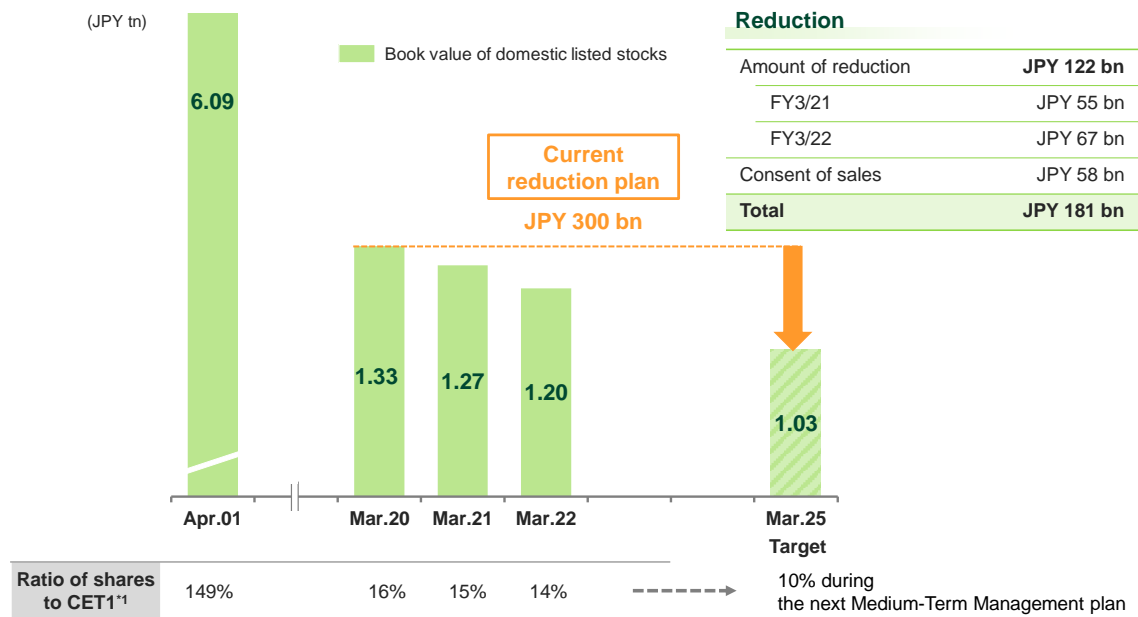
As mentioned in the investors meeting in last November, I believe that these investments will be the pillar of our growth platform in the future and contribute to raise our stock price by sustainably increasing bottom-line profit.

In terms of shareholder returns, we intend to allocate more capital to share buyback, as dividend payout ratio will exceed our target of 40%.

I would like to improve our PBR by raising ROE from both the numerator and denominator perspectives.

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

We reduced our strategic shareholdings by JPY 122 bn over the past two years, which was slightly exceeding the target pace of our JPY 300 bn reduction plan in five years.

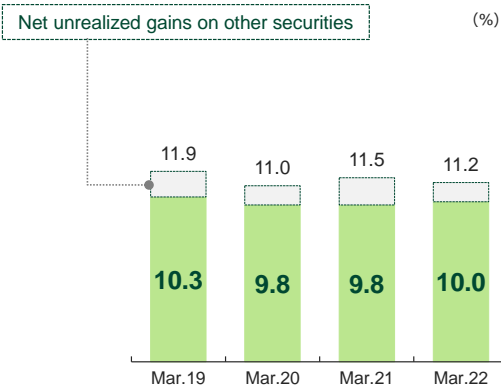
Especially in FY3/22, as a result of accelerating the negotiation with our clients in a tailwind of the reorganization of Tokyo Stock Exchange and the penetration of the corporate governance code, we caught up a delay from FY3/21 and also increased consent of sales to JPY 58 bn.

We will challenge achieving our plan ahead of schedule by continuous engagement with clients.

Please go to page 43.

(Ref.) CET1 ratio

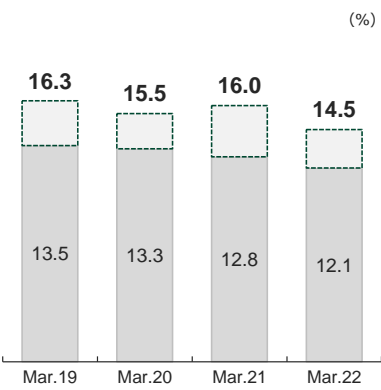
Post-Basel III (financial target)



(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

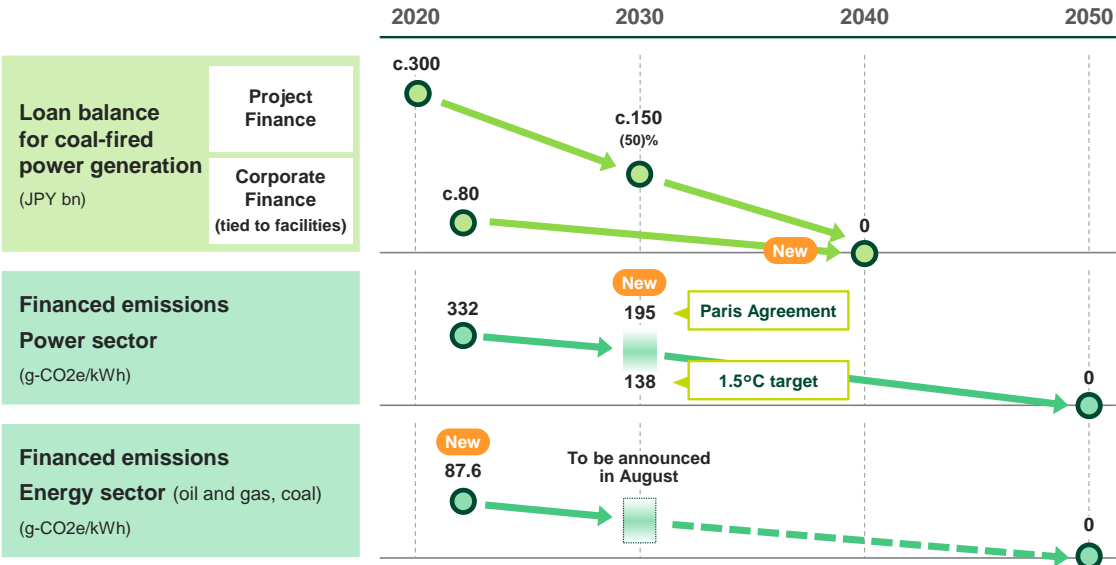


IV. Initiatives for Sustainability

Finally, I will explain our 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.



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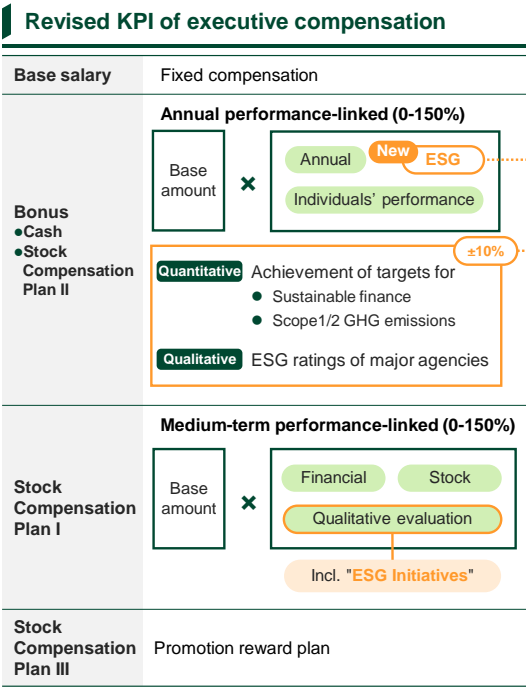
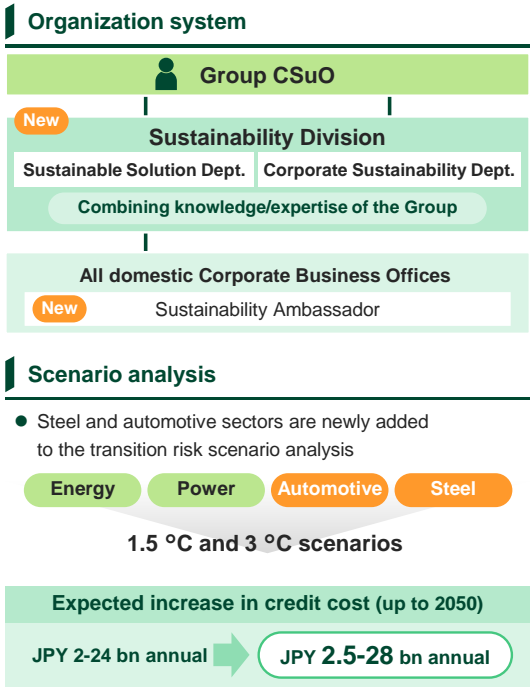
To realize a carbon-neutral society, SMBC Group committed to net zero across the entire loan and investment portfolio in August 2022.

The direction in which society should move forward is becoming clear, as many companies have set similar goals. However, we should pick our route to the goal steadily and carefully together with our clients.

After continuous engagement with clients, we disclosed in the press release on May 13 1) the loan balance for coal-fired power generation including corporate finance and 2) an image towards net zero financed emissions in the power and energy sectors.

We will continue to assess and set targets for financed emissions with priority in high-emission sectors.

Sustainability Management Structure



Sustainability Division was established in April 2022 to integrate the Group’s corporate planning and business promotion under Group CSuO.

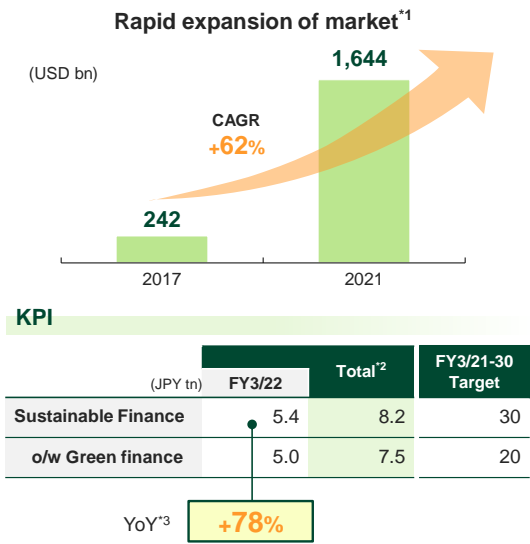
A quantitative evaluation linked to ESG initiatives was introduced in executive compensation from FY3/23, which was previously limited to qualitative evaluation.

We will further strengthen our commitment to sustainability management .

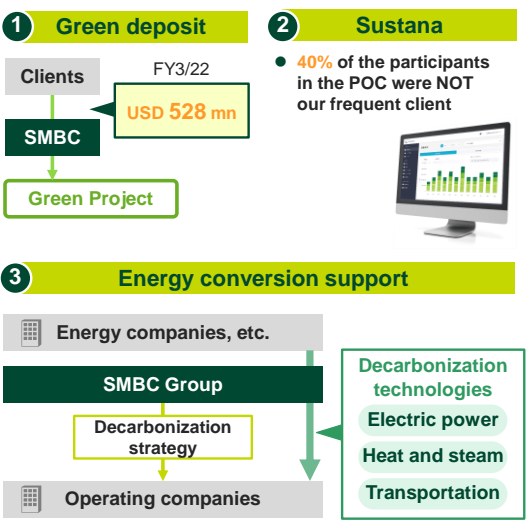
Business opportunities of climate change

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

Sustainable Finance



Cutting-edge solutions



^{*1} Bloomberg ^{*2} FX rates are based on fiscal year-end TTMs ^{*3} Excl. FX impact
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It is our mission as a global financial institution to support clients' initiatives (e.g. transition, technologically innovation) to realize a carbon neutral society. This is a once-in-a-decade business opportunity for us as well.

The market growth of sustainable finance has been accelerating in recent years and will continue.

We accumulated sustainable finance executed to JPY 8.2 tn from FY3/21 by steadily capturing the market growth. I am now confident that we could achieve the target of JPY 30 tn by FY3/30 and even challenge for upside.

We also provide cutting-edge solutions such as green deposit and energy conversion support.

Direction of the next Medium-Term Management Plan



Major direction remains unchanged



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

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Finally, I would like to touch briefly on the next Medium-Term Management Plan.

I do not currently anticipate a drastic change from the current Medium-Term Management Plan:

Transformation: while transforming existing businesses to improve efficiency,

Growth: seek new growth opportunities, and

Quality: elevate quality in all aspects.

I also feel that social value has been growing in importance and this trend will accelerate.

Social value of a company is created by solving social issues through its own businesses and does not conflict with increasing economic value.

I rather believe that balancing the two values at a high level will lead to sustainable growth in corporate value.

In other words, we need to incorporate solutions to realize a sustainable society into our own business model and work on them as our core business.

Though this is a challenging target, we will continue discussions over throughout a year and would like to show you a new Medium-Term Management Plan next year.

This is the end of my presentation.

I would like to thank investors and analysts for your continued support.