



Investor Presentation

September 2020



SUMITOMO MITSUI
FINANCIAL GROUP

Agenda



Financial Results of 1Q FY3/21 // 3



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I. Financial Results of 1Q FY3/21

Income statement

Consolidated net business profit reached 27% of the full-year target, mainly due to increased gains on sales of bonds in the Global Markets Business Unit. Profit attributable to owners of parent reached 22%.

	(JPY bn)	1Q FY3/21	YoY	FY3/21 target
1 Consolidated gross profit		677.9	(4.1)	
2 G&A expenses		420.9	(11.7)	
Overhead ratio		62.1%	(1.3)%	
3 Equity in gains (losses) of affiliates		4.4	(15.4)	
	Progress			
4 Consolidated net business profit	27%	261.4	(7.8)	970
5 Total credit cost		114.8	+77.2	450
6 Gains (losses) on stocks		(0.7)	(31.7)	
7 Other income (expenses)		(27.7)	(26.7)	
8 Ordinary profit		118.1	(143.3)	550
9 Extraordinary gains (losses)		(1.3)	(22.2)	
10 Income taxes		30.8	(29.9)	
11 Profit attributable to owners of parent	22%	86.1	(129.6)	400
12 ROE		3.7%	(5.9)%	

- **Consolidated gross profit:** decreased YoY due to the impact of COVID-19 that led to the decrease in credit card sales handled fee and wholesale non-interest income, while the gains on sales of bonds increased with the decline of the global interest rates.
- **G&A expenses:** decreased YoY by implementing cost control initiatives and the decrease in revenue-linked variable cost.
- **Equity in gains of affiliates:** decreased YoY mainly due to the increase in credit cost at affiliates in Asia.
- **Total credit cost:** increased YoY in both domestic and overseas business due to COVID-19.
- **Gains on stocks:** decreased YoY due to lower gains on sales of strategic shareholdings (JPY 5 bn, YoY JPY (20) bn).
- **Other income (expenses):** decreased YoY mainly due to the loss from forward dealings which aim to control risk of stocks.
- **Extraordinary losses:** decreased YoY mainly due to the absence of the gains on step acquisitions on the reorganization of the group asset management companies recorded in FY3/20 (YoY JPY (22) bn).

(Ref.) Group companies

SMBC

	(JPY bn)	1Q FY3/21	YoY	FY3/21 target
1 Gross banking profit		371.4	+14.9	
2 o/w Net interest income		209.7	+7.4	
3 o/w Gains (losses) on cancellation of investment trusts		8.0	+5.0	
4 o/w Net fees and commissions		70.1	(7.3)	
5 o/w Net trading income+ Net other operating income		91.1	+14.8	
6 o/w Gains (losses) on bonds		63.7	+11.5	
7 Expenses		203.8	+0.8	
8 Banking profit		167.5	+14.1	520
9 Total credit cost		72.2	+66.1	290
10 Gains (losses) on stocks		(1.5)	(32.4)	
11 Extraordinary gains (losses)		(19.4)	(12.8)	
12 Net income		53.2	(73.8)	170

Other major group companies

(left : results of 1Q FY3/21 / right : YoY)

(JPY bn)	SMCC	SMBC Nikko ^{*1}	SMBCCF
Gross profit	90.7 (12.8)	70.3 (1.2)	66.5 (1.7)
Expenses	77.7 (1.6)	61.9 (3.0)	25.4 (2.6)
Net business profit	13.1 (11.3)	8.4 +1.7	41.1 +0.9
Net income	5.2 (7.1)	4.8 +0.9	21.1 +0.4

(Equity method affilia

	SMBC Trust	SMDAM ^{50%}	SMFL ^{*2} 50%
Gross profit	8.8 (2.0)	7.6 (1.4)	40.7 (3.0)
Expenses	11.2 (1.1)	8.2 (0.0)	21.2 (0.0)
Net business profit	(2.3) (0.9)	(0.5) (1.4)	20.9 (2.9)
Net income	(2.5) (1.7)	(0.6) (1.0)	6.0 (10.1)

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

*2 Managerial accounting basis

Impact of COVID-19 (1) Business environment

Outlook for GDP growth rate was revised downward, while stock and oil prices were higher than our initial assumptions at the beginning of FY3/21.

Business environment

	Initial assumptions	As of July 20	
2020 GDP growth rate outlook*1	Global (2.7)%	(4.0)%	↓
	In Japan (FY) (3.2)%	(4.6)%	
Nikkei stock average	JPY19,500	around JPY22,500	↑
Oil prices	USD30	around USD40	↑

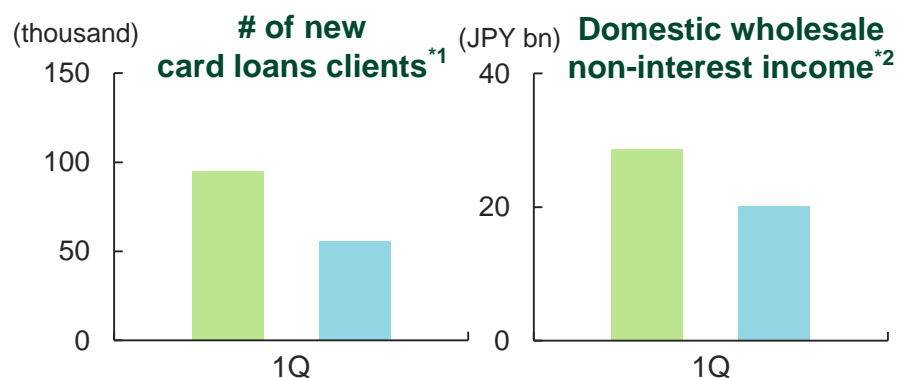
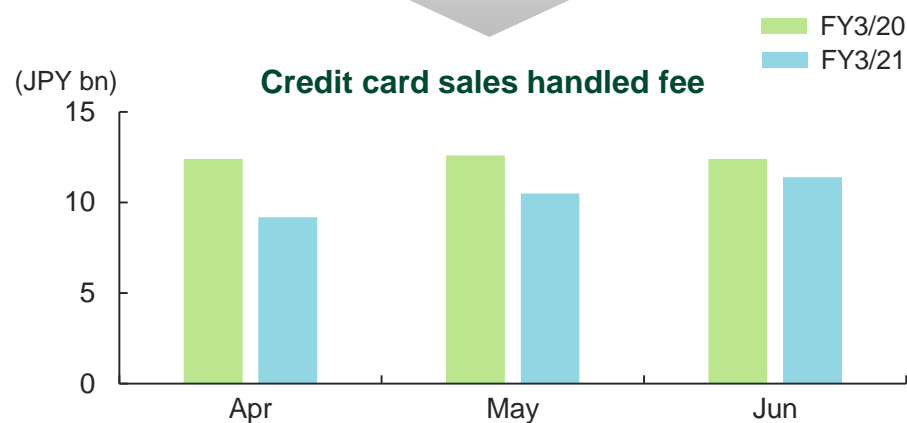
Progress vs FY3/21 target

(JPY bn)	1Q FY3/21	FY3/21 Target	Progress
Consolidated net business profit	261.4	970	27%
Total credit cost	114.8	450	26%
Profit attributable to owners of parent	86.1	400	22%

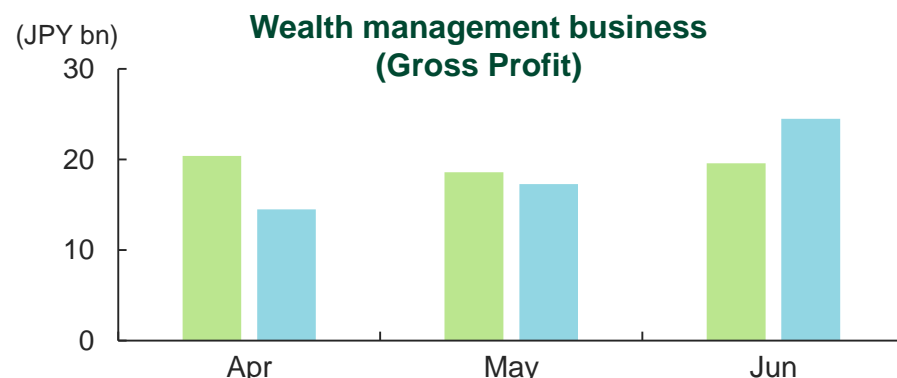
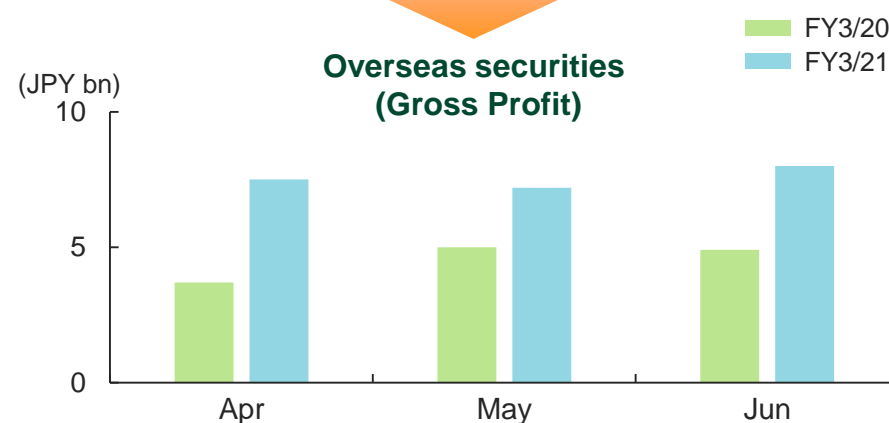
Impact of COVID-19 (2) Our business

Credit card sales handled fee, new card loans clients, and wholesale non-interest income decreased YoY. On the other hand, overseas securities performed well and wealth management business is recovering.

Sluggish consumer and corporate activities



Active bond issuance Solid performance in stock market



*1 SMBCCF

*2 Syndicated loans, Structured finances, Real estate finances, and Securities business

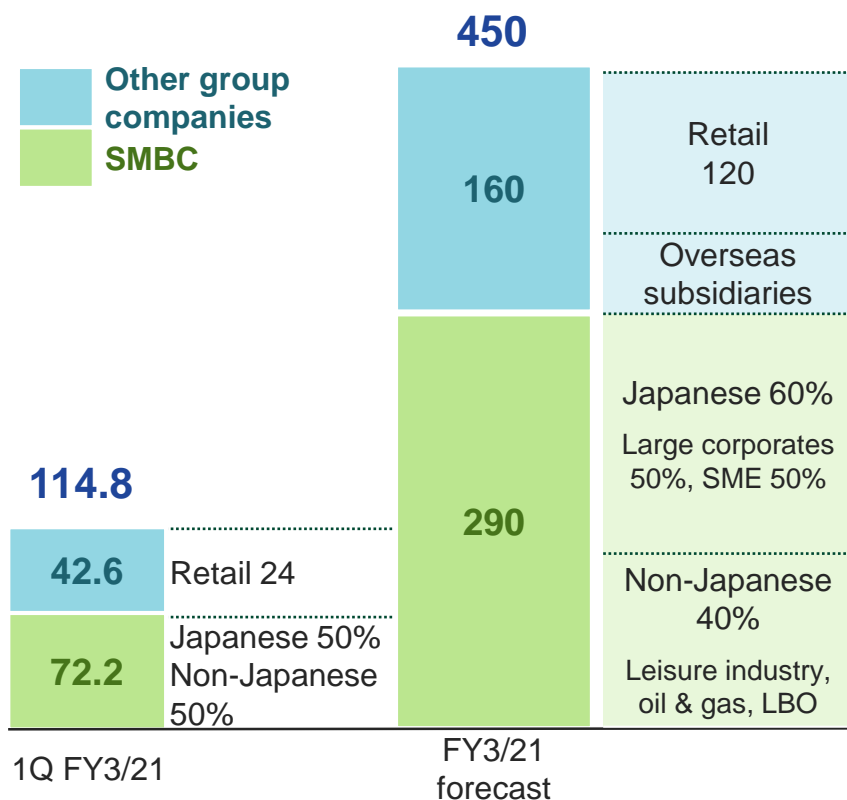
Impact of COVID-19 (3) Credit cost and RWA

Credit cost in 1Q was about 1/4 of the annual forecast.

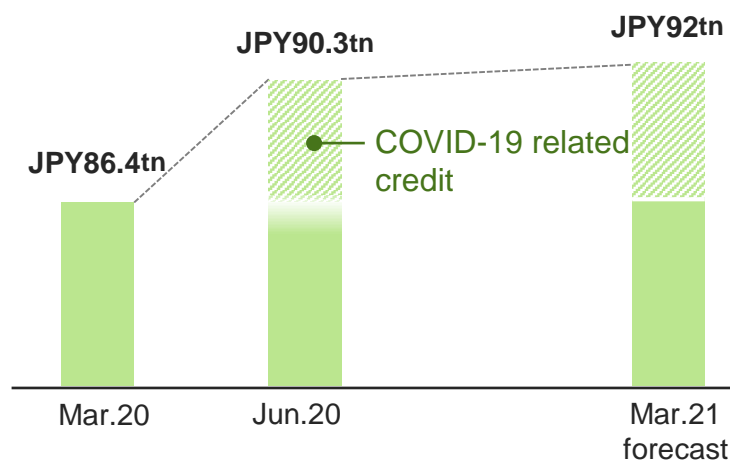
Most part of COVID-19 related credit expected at the beginning of FY3/21 were extended in 1Q.

Credit cost

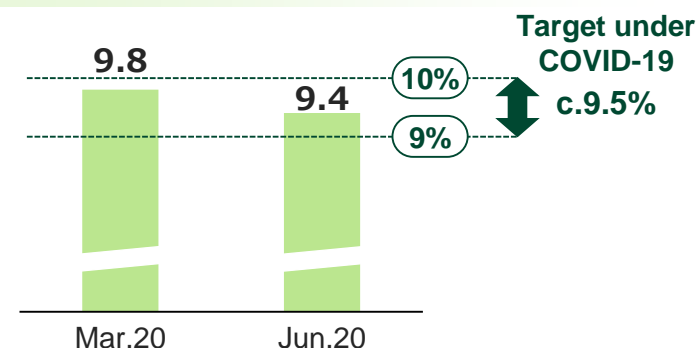
(JPY bn)



RWA*1



CET1 ratio (Post-Basel III excl. OCI)



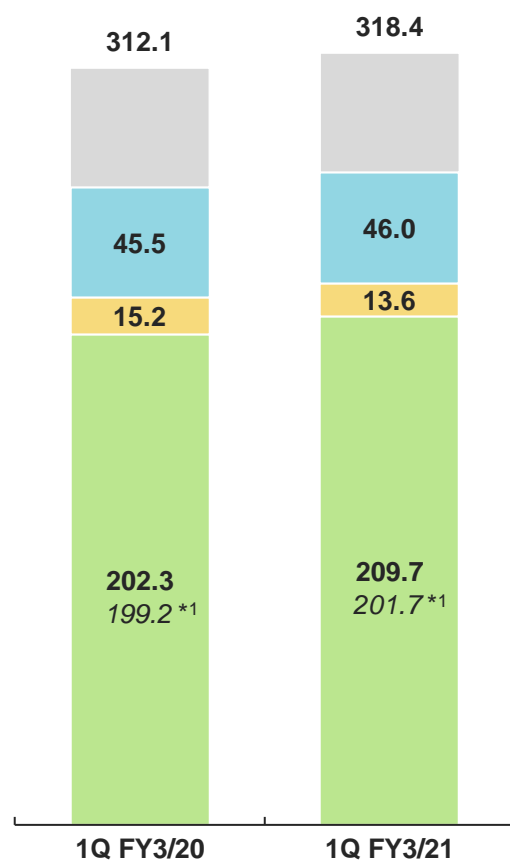
*1 Post-Basel III

Consolidated gross profit

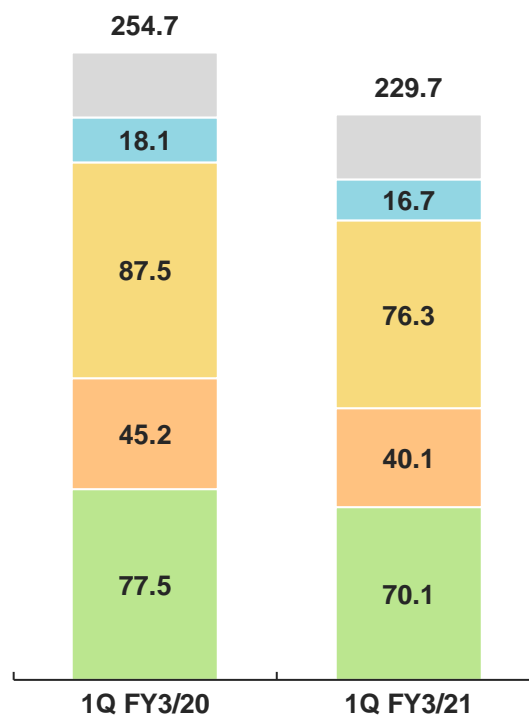
■ SMBC ■ SMBC Nikko ■ SMCC ■ SMBCCF ■ Others

Net interest income

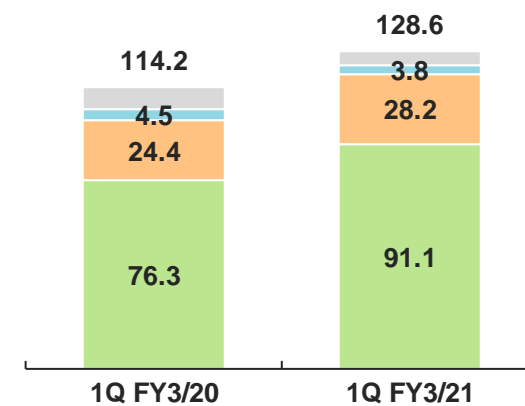
(JPY bn)



Net fees and commissions



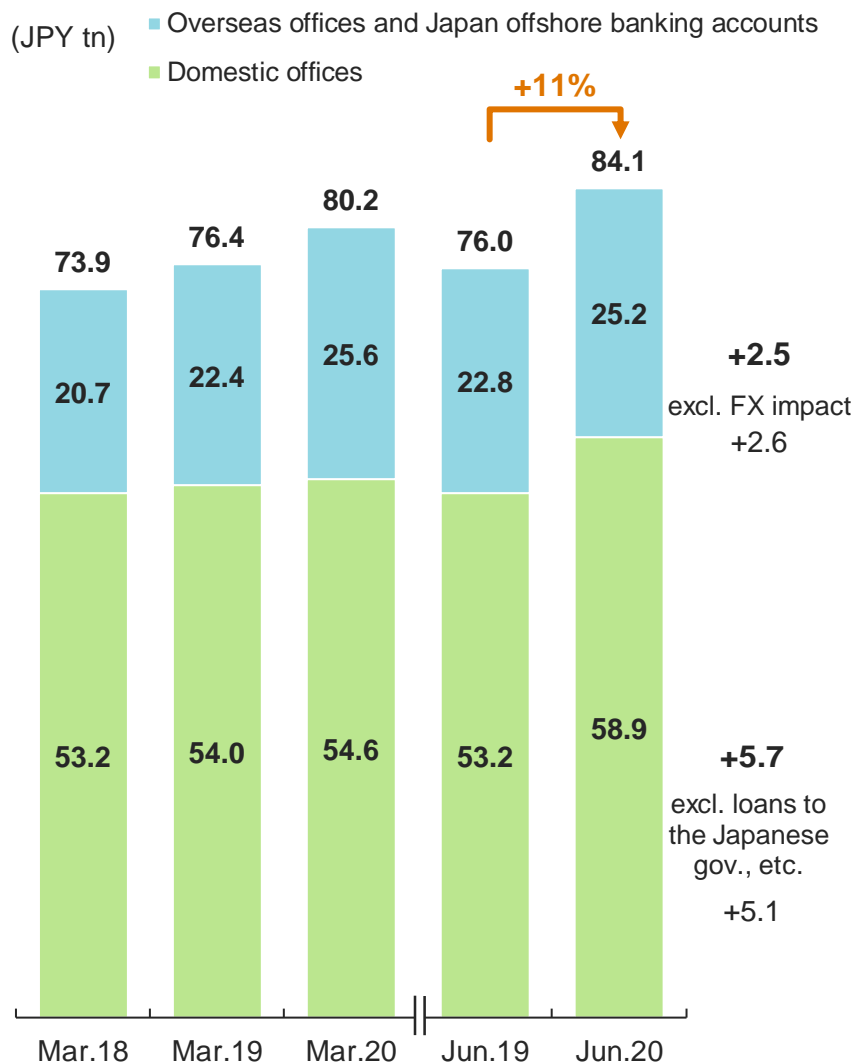
Net trading income + Net other operating income



*1 Excluding gains on cancellation of investment trusts

Loans*1

Loan balance



Domestic loan-to-deposit spread

	FY3/21		FY3/20			
	1Q	YoY	1Q	2Q	3Q	4Q
Interest earned on loans and bills discounted (%)	0.84	(0.08)	0.92	0.90	0.90	0.89
Interest paid on deposits, etc.	0.00	(0.00)	0.00	0.00	0.00	0.00
Loan-to-deposit spread	0.84	(0.08)	0.92	0.90	0.90	0.89

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

Interest earned on loans and bills discounted	0.87	(0.07)	0.94	0.93	0.93	0.91
Loan-to-deposit spread	0.87	(0.07)	0.94	0.93	0.93	0.91

Average loan balance and spread*2

	Balance (JPY tn)		Spread (%)	
	1Q FY3/21	YoY*4	1Q FY3/21	YoY
Domestic loans	55.7	+3.5	0.70	(0.05)
Excluding loans to the Japanese government, etc.	52.9	+3.4	0.73	(0.06)
o/w Large corporations	18.4	+2.7	0.51	(0.01)
Mid-sized corporations & SMEs	18.5	+1.0	0.61	(0.03)
Individuals	12.5	(0.6)	1.45	(0.04)
GBU's interest earning assets*3	346.7	+53.1	1.12	+0.00
	USD bn	USD bn		

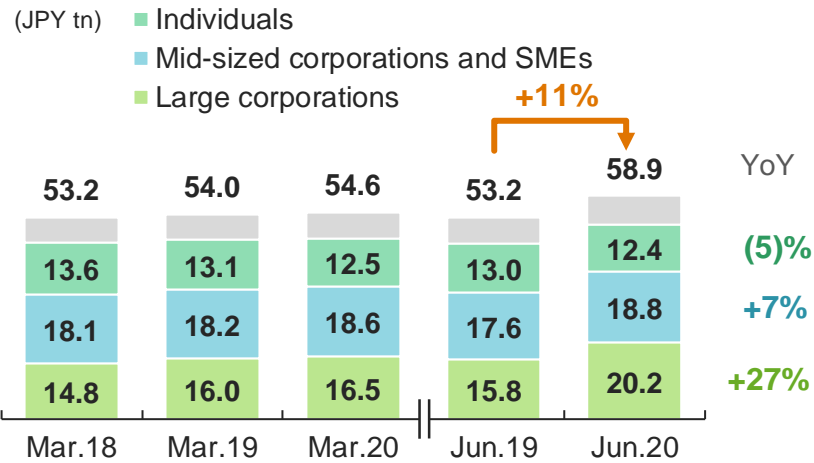
*1 Non-consolidated *2 Managerial accounting basis

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

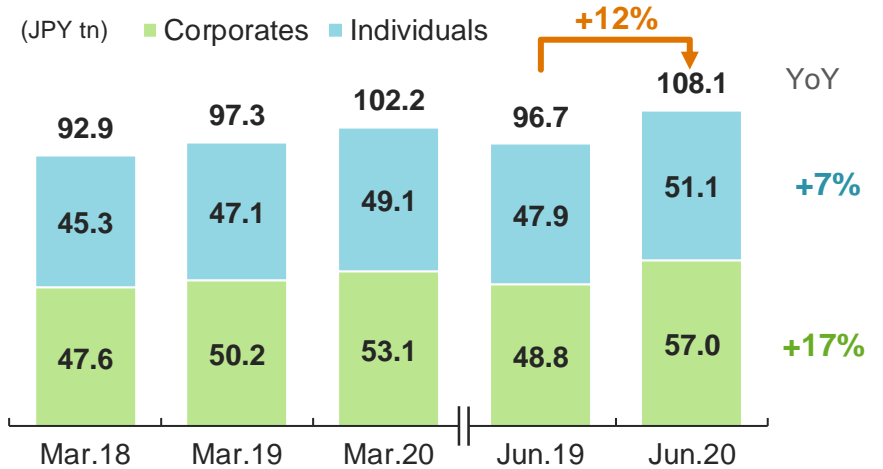
*4 After adjustments for exchange rates, etc.

Domestic loans and deposits*1

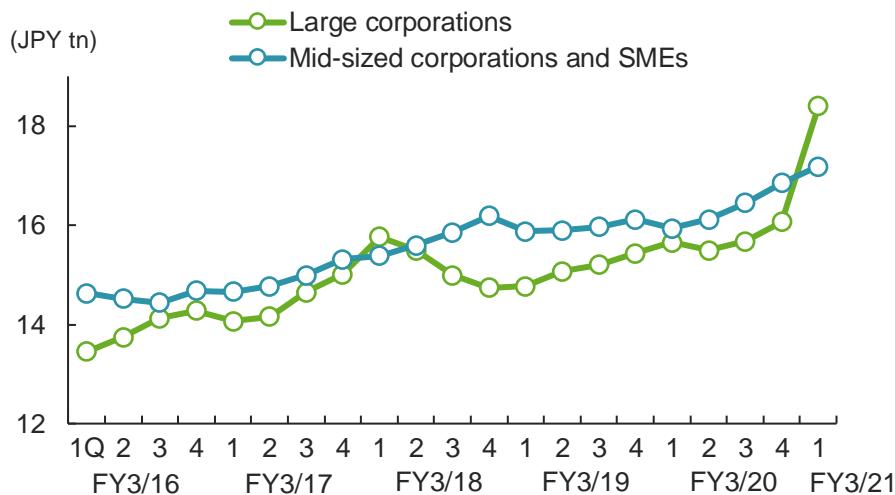
Loan balance*2



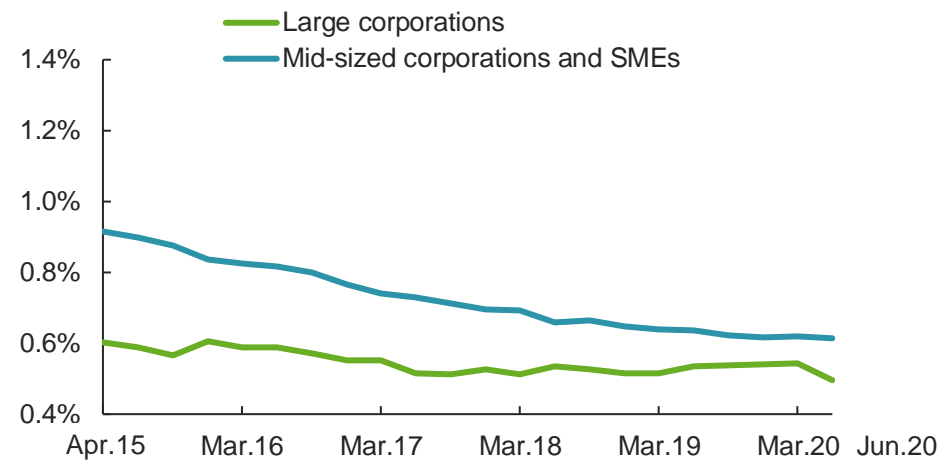
Deposit balance



Loan average balance for corporates*2,3



Loan spread for corporates*2,4



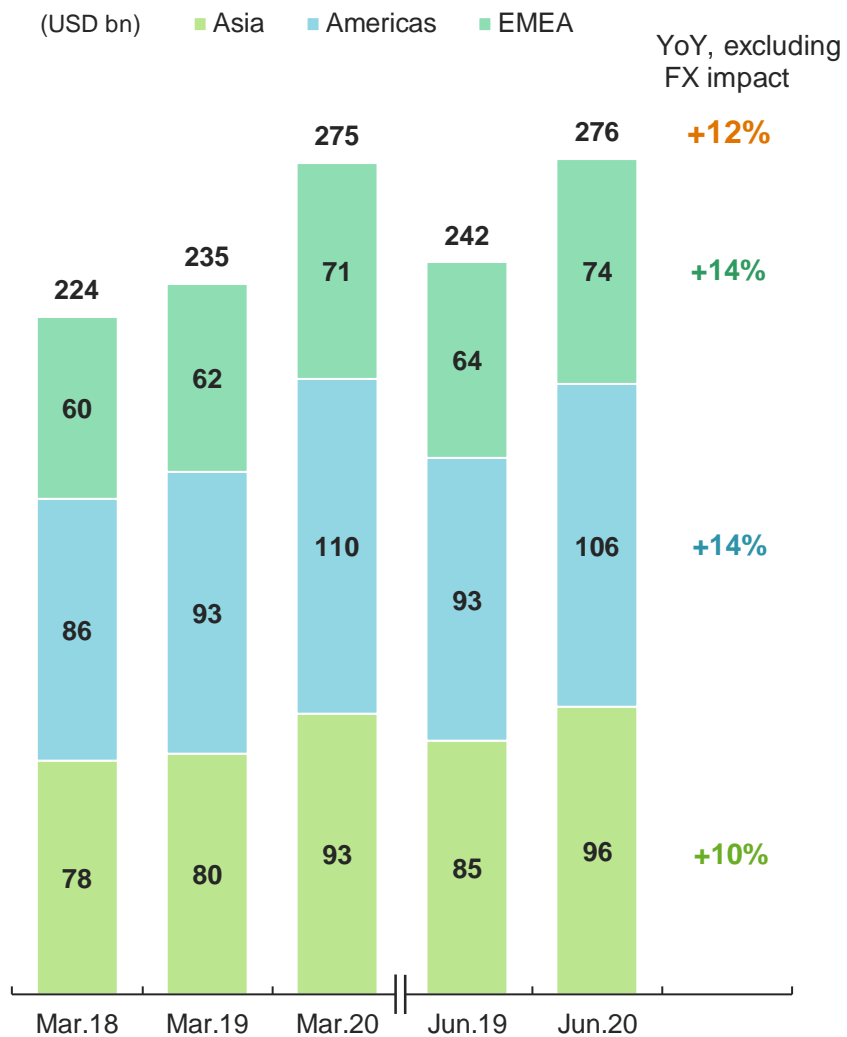
*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average, excluding loans to the Japanese government.

Figures for SMEs are the outstanding balance of Corporate banking division

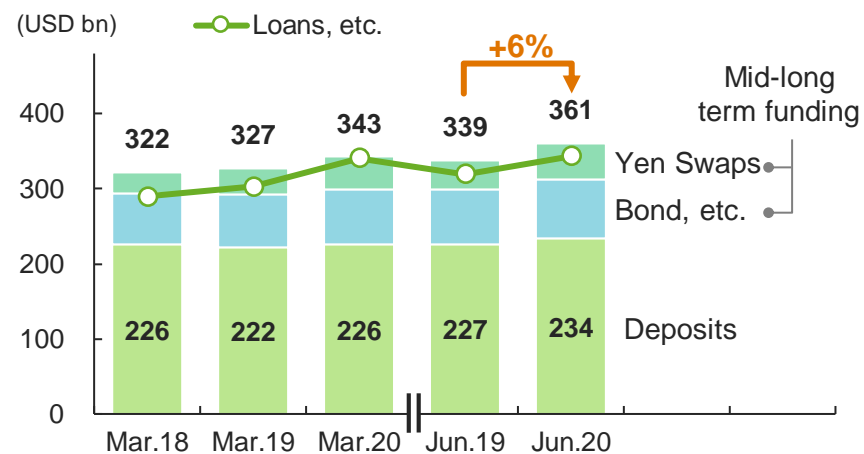
*4 Loan spread of existing loans, excluding loans to the Japanese government

Overseas loans and deposits*1

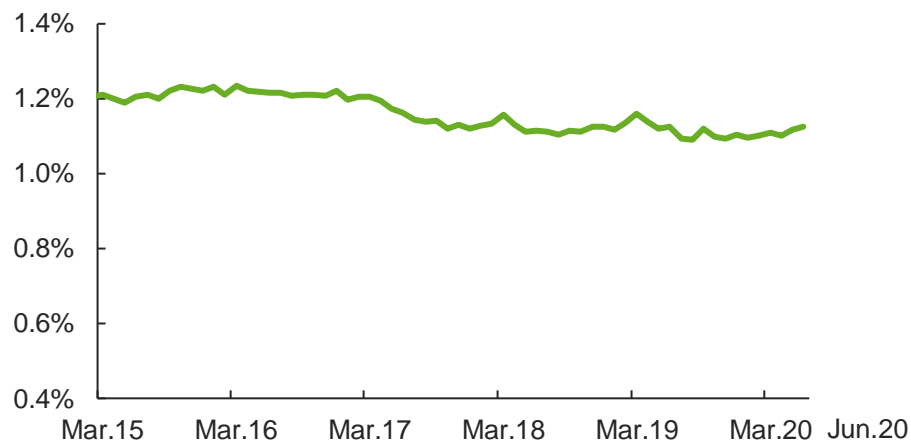
Loan balance



Foreign currency balance



Loan spread*2



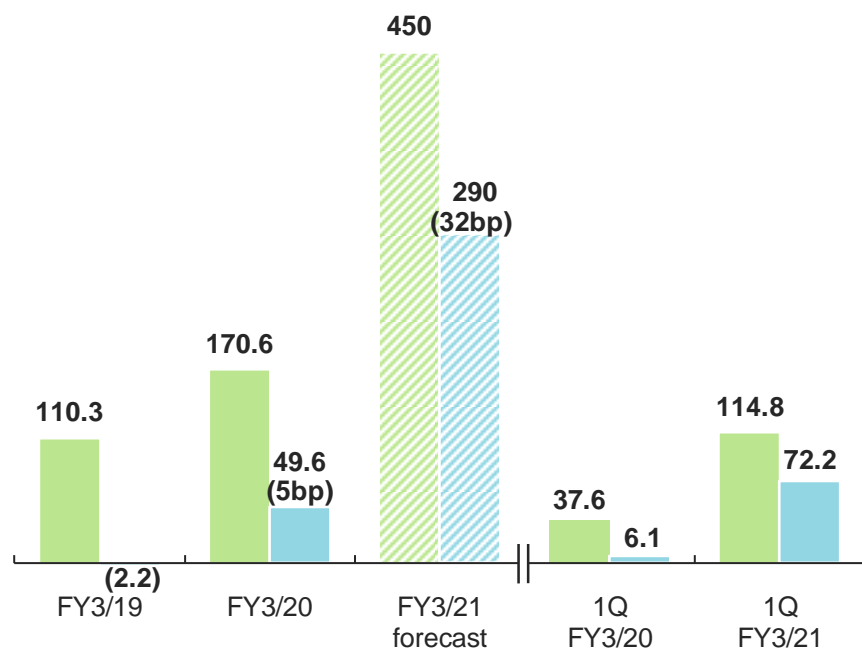
*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

*2 Monthly average loan spread of existing loans

Asset quality

Credit costs*1

(JPY bn) Consolidated Non-consolidated

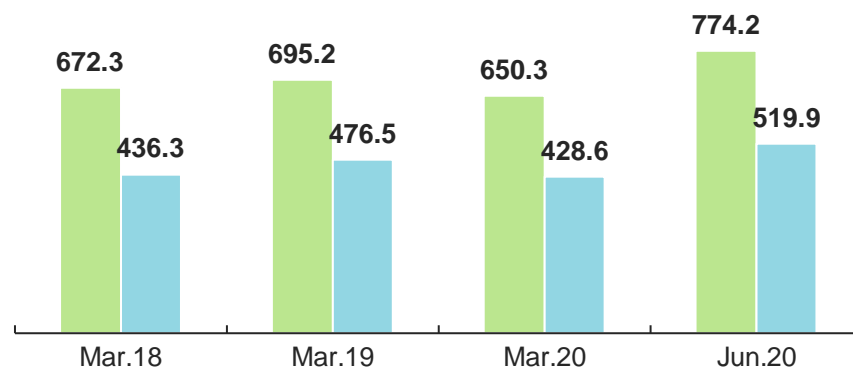
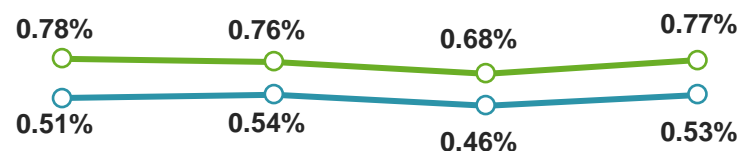


Major group companies

(JPY bn)	1Q FY3/21	YoY
SMBCCF	16	(1)
SMCC	6	(1)

Non-performing loan balance*2

(JPY bn) Consolidated Non-consolidated



Total claims

(JPY tn)

Consolidated	91	96	101
Non-consolidated	89	93	97

Claims on borrowers requiring caution (excluding claims to substandard borrowers)

Non-consolidated	0.8	0.9	1.5
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*1 Total credit cost ratio = Total credit cost / Total claims

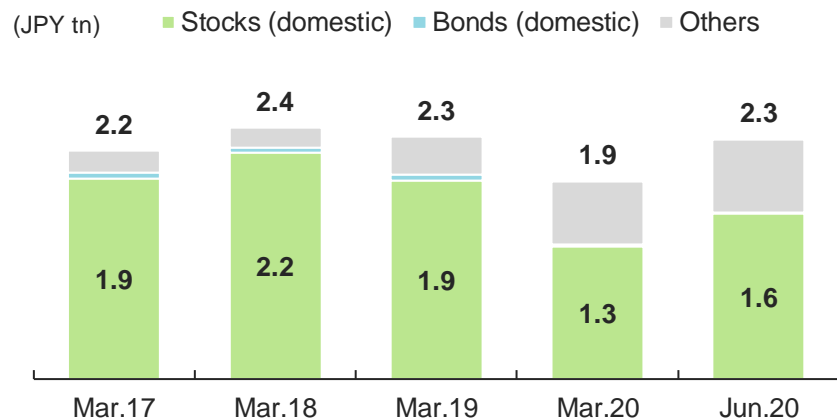
*2 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

Securities (1)

Breakdown of other securities (consolidated)

	B/S amount		Unrealized gains (losses)	
	(JPY bn) Jun.20	vs Mar.20	Jun.20	vs Mar.20
Total	29,716.6	+3,067.4	2,297.7	+405.3
Stocks (domestic)	3,040.0	+303.2	1,581.9	+312.3
Bonds (domestic)	13,643.4	+3,576.0	17.7	(3.8)
o/w JGBs	10,510.2	+3,422.2	(7.8)	(0.7)
Others	13,033.1	(811.9)	698.1	+96.9
o/w Foreign bonds	10,684.3	(965.2)	215.1	(40.6)

Unrealized gains

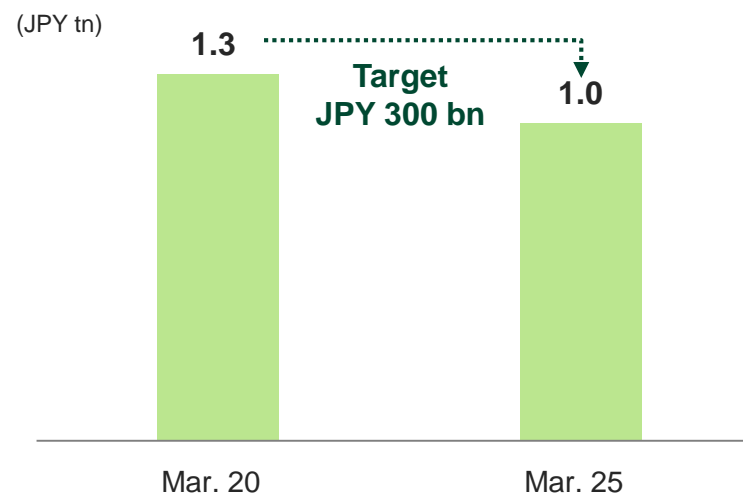


Strategic shareholdings

Progress as of Jun.20	Reduction	JPY 12 bn
	Consent of sales from clients	JPY 58 bn
	Total	JPY 70 bn

Reduction plan

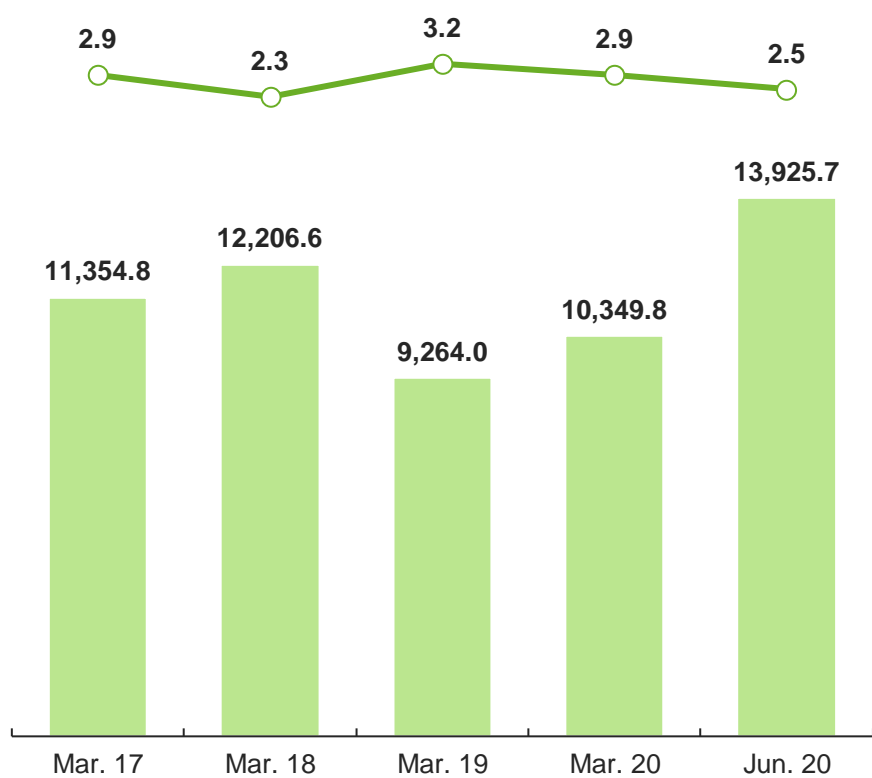
Reduce JPY 300 bn in 5 years (FY3/21-FY3/25)



Securities (2)

Yen-denominated bonds (consolidated)

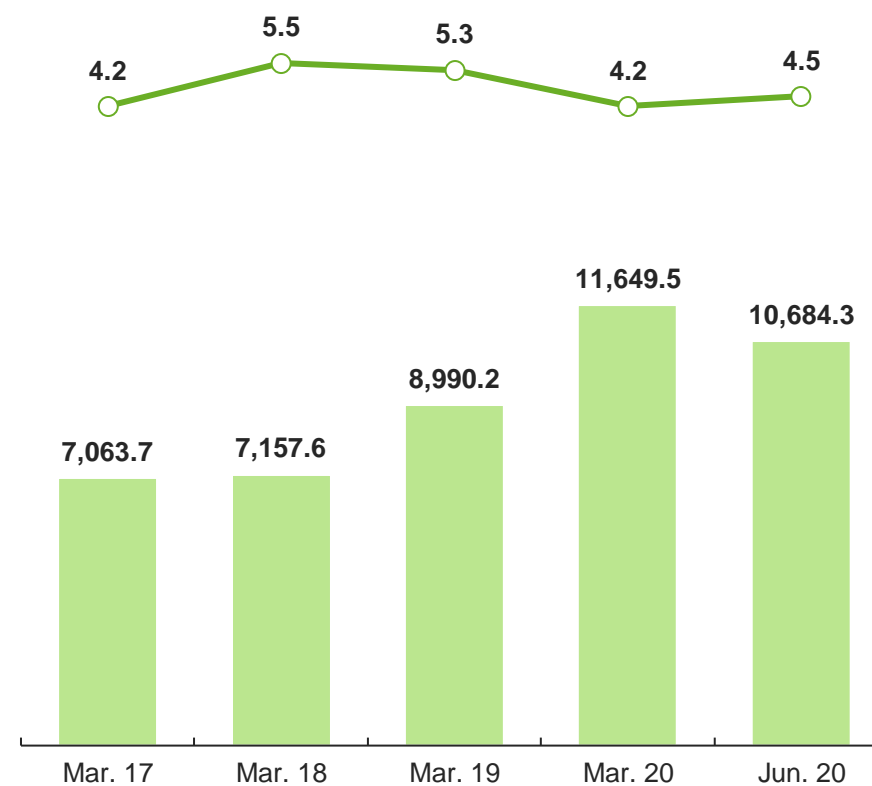
(JPY bn) ■ B/S amount ○ Duration (years) ^{*1}



Unrealized gains(losses)	46.5	61.3	21.7	17.7
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Foreign bonds (consolidated)

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



Unrealized gains(losses)	(159.4)	(28.4)	255.7	215.1
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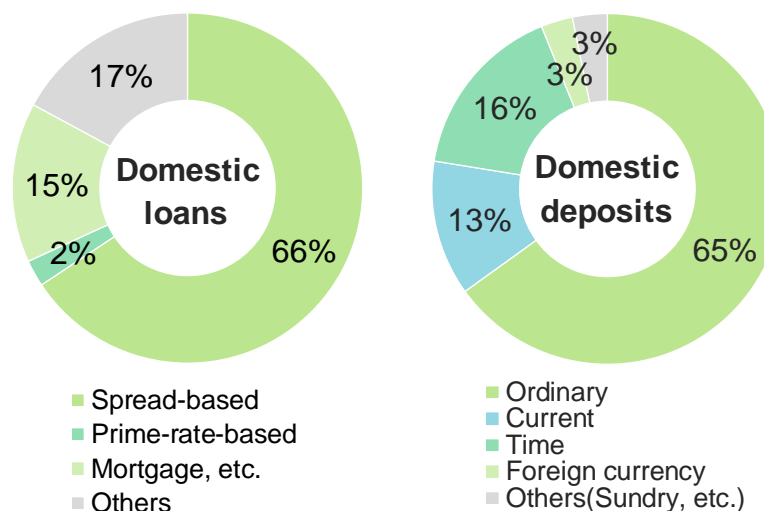
*1 Non-consolidated. Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero.

Balance sheet

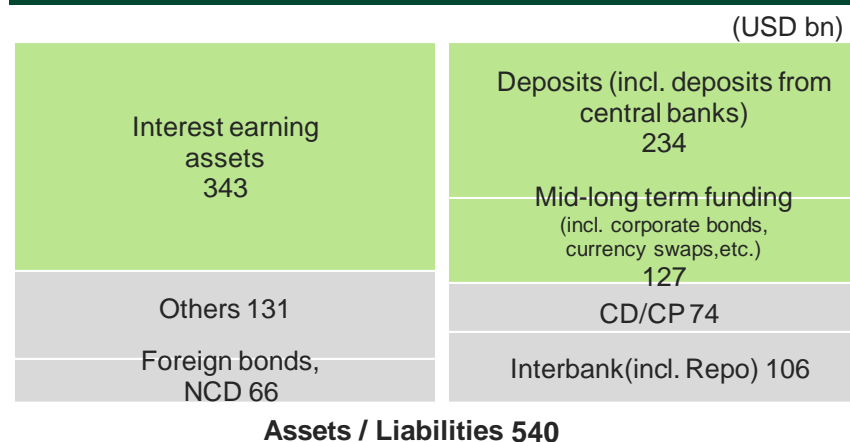
Consolidated

	(JPY tn)	Jun. 20	vs Mar.20
Total assets		226.1	+6.3
o/w Cash and due from banks		63.2	+1.4
o/w BOJ's current account balance*1		51.5	+2.8
o/w Loans		87.1	+4.6
o/w Domestic loans*1		58.9	+4.3
o/w Large corporations*2		20.2	+3.7
o/w Mid-sized corporations & SMEs*2		18.8	+0.1
o/w Individuals*2		12.4	(0.1) ^{*3}
o/w Securities		30.1	+2.9
o/w Other securities		29.7	+3.1
o/w Stocks		3.0	+0.3
o/w JGBs		10.5	+3.4
o/w Foreign bonds		10.7	(1.0)
Total liabilities		215.2	+6.1
o/w Deposits		133.6	+6.5
o/w Domestic deposits*1		108.1	+5.9
o/w Individuals		51.1	+2.1
o/w Corporates		57.0	+3.8
o/w NCD		9.7	(0.5)
Total net assets		11.0	+0.2
Loan to deposit ratio		60.8%	

Composition of loans and deposits*2



Non-JPY B/S*2,4



*1 Non-consolidated *2 Managerial accounting basis *3 After adding back the portion of housing loans securitized.
No origination in 1Q FY3/21 *4 Sum of SMBC and major local subsidiaries

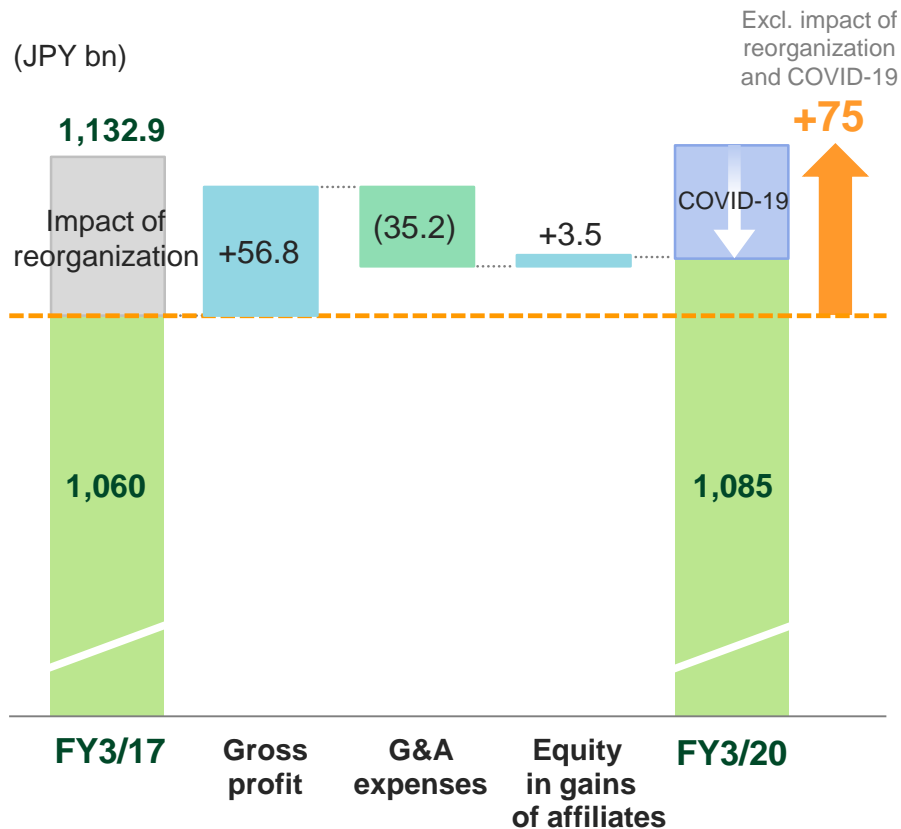


II. New Medium-Term Management Plan

Review of previous plan (FY3/18-FY3/20)

Net business profit increased by JPY 75 bn over the three-year period.
Achieved financial targets of ROE and CET 1 ratio.

Consolidated net business profit



Financial targets

	FY3/17	FY3/18	FY3/19	FY3/20	Target
ROE	7.8%	8.8%	8.2%	7.6%	7-8%
OHR	62.1%	60.9%	60.3%	62.8% 62.0% (excl. impact of reorganization)	vs. FY3/17 (1)%
CET1 ratio	8.3%	9.5%	10.3%	9.8%	10%

Review of previous plan (FY3/18-FY3/20)

Steadily executed key measures in line with the core policy (Discipline, Focus, and Integration).

Discipline

- Reorganized group structure to raise capital and asset efficiency
▶ P.20
- Achieved **JPY 54 bn** of cost reductions (target: JPY 50 bn)

Business reforms to improve efficiency	JPY 23.5 bn
Retail branch reorganization	JPY 20.5 bn
Reorganization of group companies	JPY 10.0 bn

Focus

Retail

- Balance of fee-based AUM **JPY +1.1 tn**
- Credit card sales handled **JPY +5.8 tn**

Wholesale

- **#1** in M&A advisory deals
- **#2** in IPO deals

Global

- # of active book runner transactions **x2.6**
- Multi-franchise strategy revenue in Indonesia **JPY +34.6 bn**

Global markets


- S&T profits **JPY +37.6 bn**
- **Nimble portfolio management**

▶ P.78-81

Integration

- Enhanced governance framework to sophisticate group management
 - **Business unit, CxO system**
 - **Company with Three Committees**
 - **Raised % of outside directors to 47%**

- Digitalization in all aspects

Cashless payment:
Next-generation payment platform


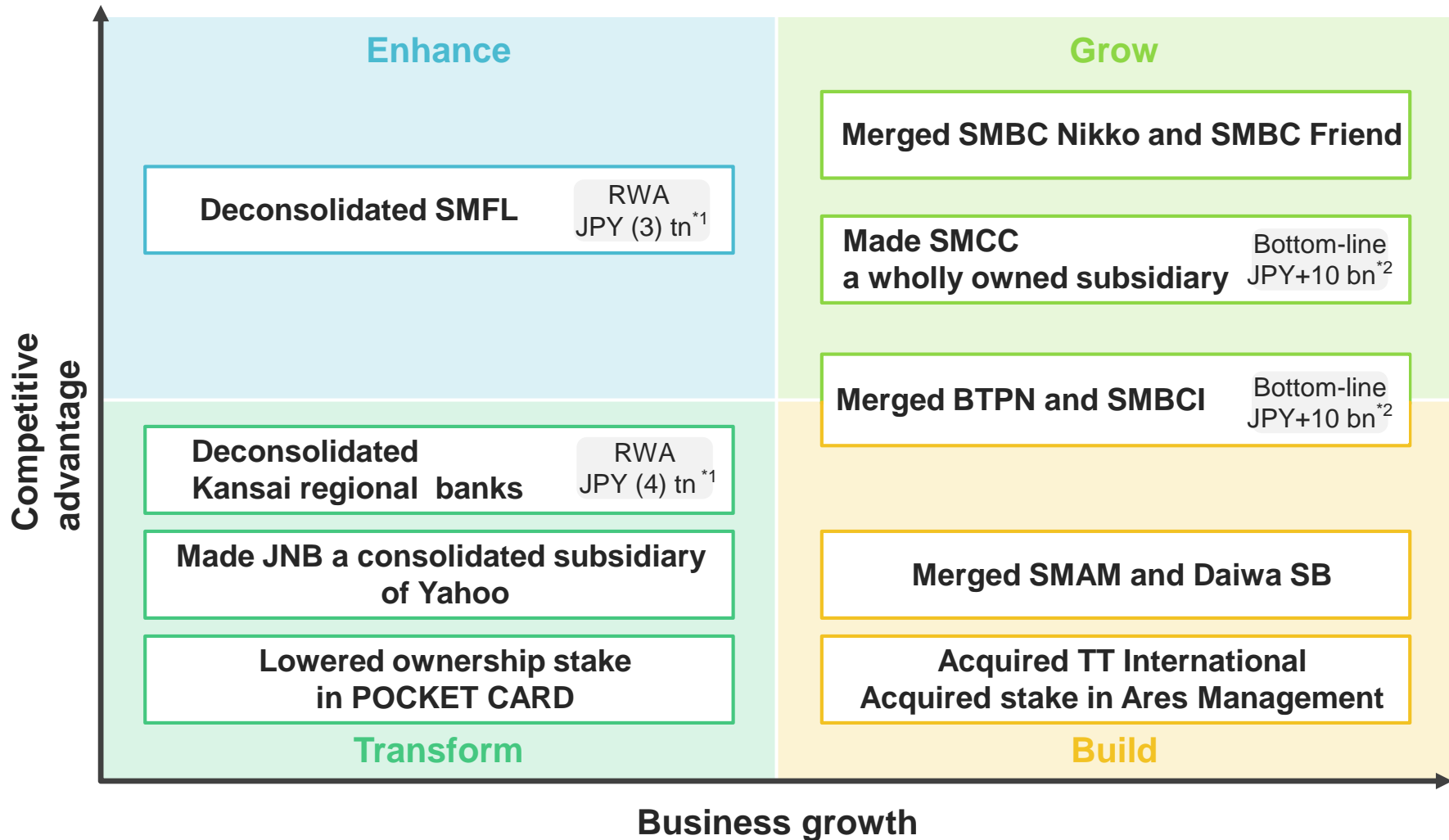
Improved efficiency:
Reduced workload of 3.5 mn hours using RPA

Started new businesses:
Established 8 subsidiaries



(Ref.) Transformation of business and asset portfolio

Improved capital and asset efficiency through group reorganization



*1 Post Basel III reforms basis

*2 Calculated the impact from the change of ownership ratio (excl. one-time impact)

Business environment

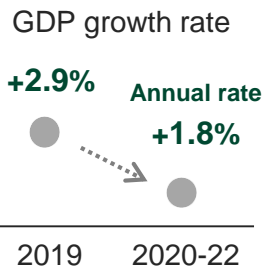
Further reforms are inevitable to realize sustainable growth as we face global recession and irreversible structural changes.

Global economy

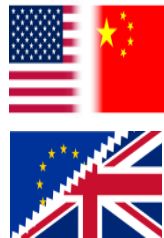
COVID-19



Recession

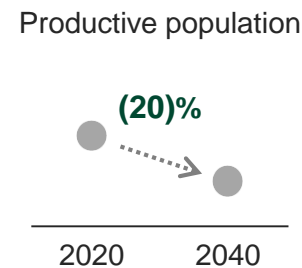


Geographic risk

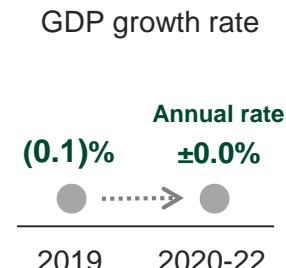


Japanese economy

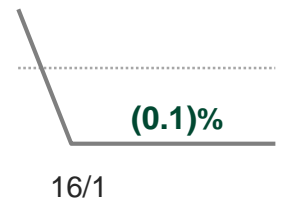
Depopulation / aging



Recession



Continuous low interest rate



Customer

Own to use



Digital native generation

Generation Z
(born in 1995-2010)

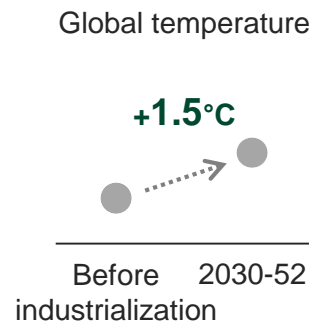
2.5 bn

Millennials
(born in 1980-1995)

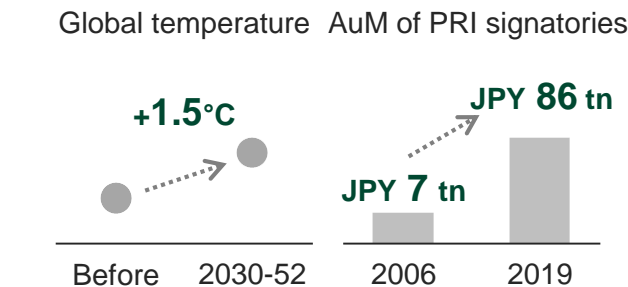
2.4 bn

Climate change

Global warming

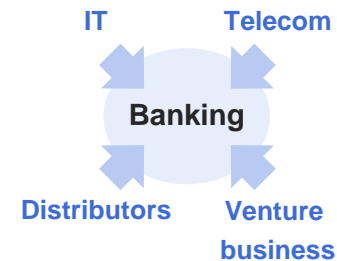


ESG investment



Competition

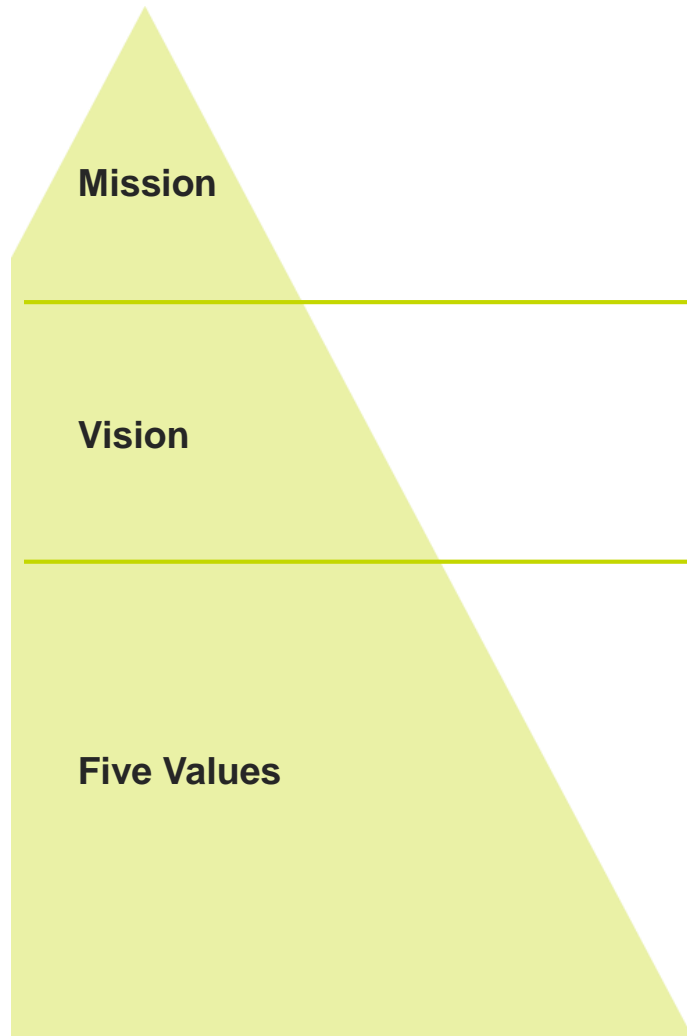
New entrants



Review regulations



Our new mission, vision, and values



- We grow and prosper together with our customers, by providing services of greater value to them.
- We aim to maximize our shareholders' value through the continuous growth of our business.
- We create a work environment that encourages and rewards diligent and highly-motivated employees.
- **We contribute to a sustainable society by addressing environmental and social issues.**

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

- **Integrity**
- Customer First
- Proactive & Innovative
- Speed & Quality
- Team "SMBC Group"

Core Policy of the new Medium-Term Management Plan

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

Core Policy

Business strategy

Transformation

Transform existing businesses

Growth

Seek new growth opportunities

Management base

Quality

Elevate quality in all aspects

Our vision

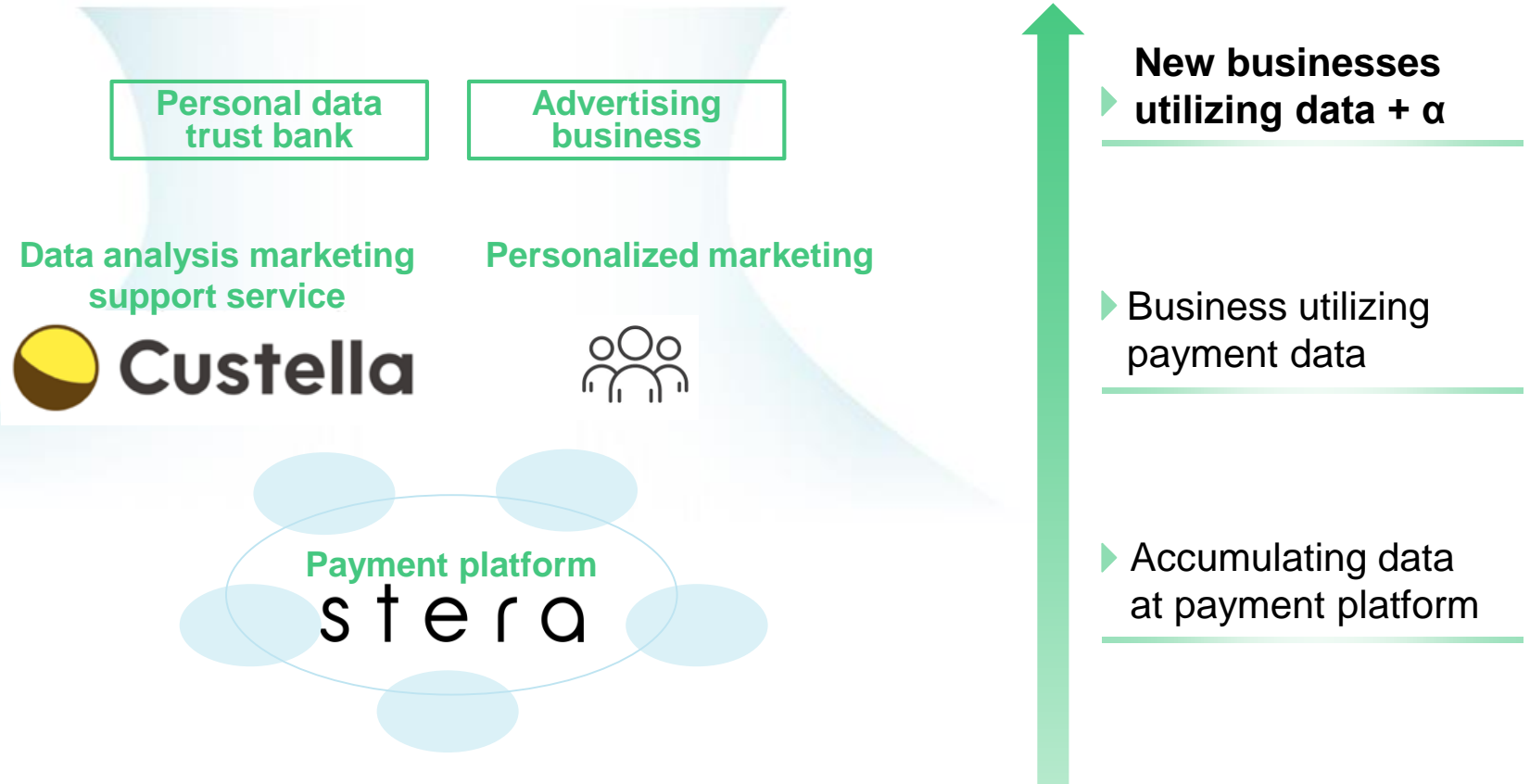
Future directions

1 Data oriented

2 Building platforms

3 Solution provider

e.g. Utilize cashless payment data



Environment

Core policies

Roadmap

Transformation & Growth

Quality

Our vision

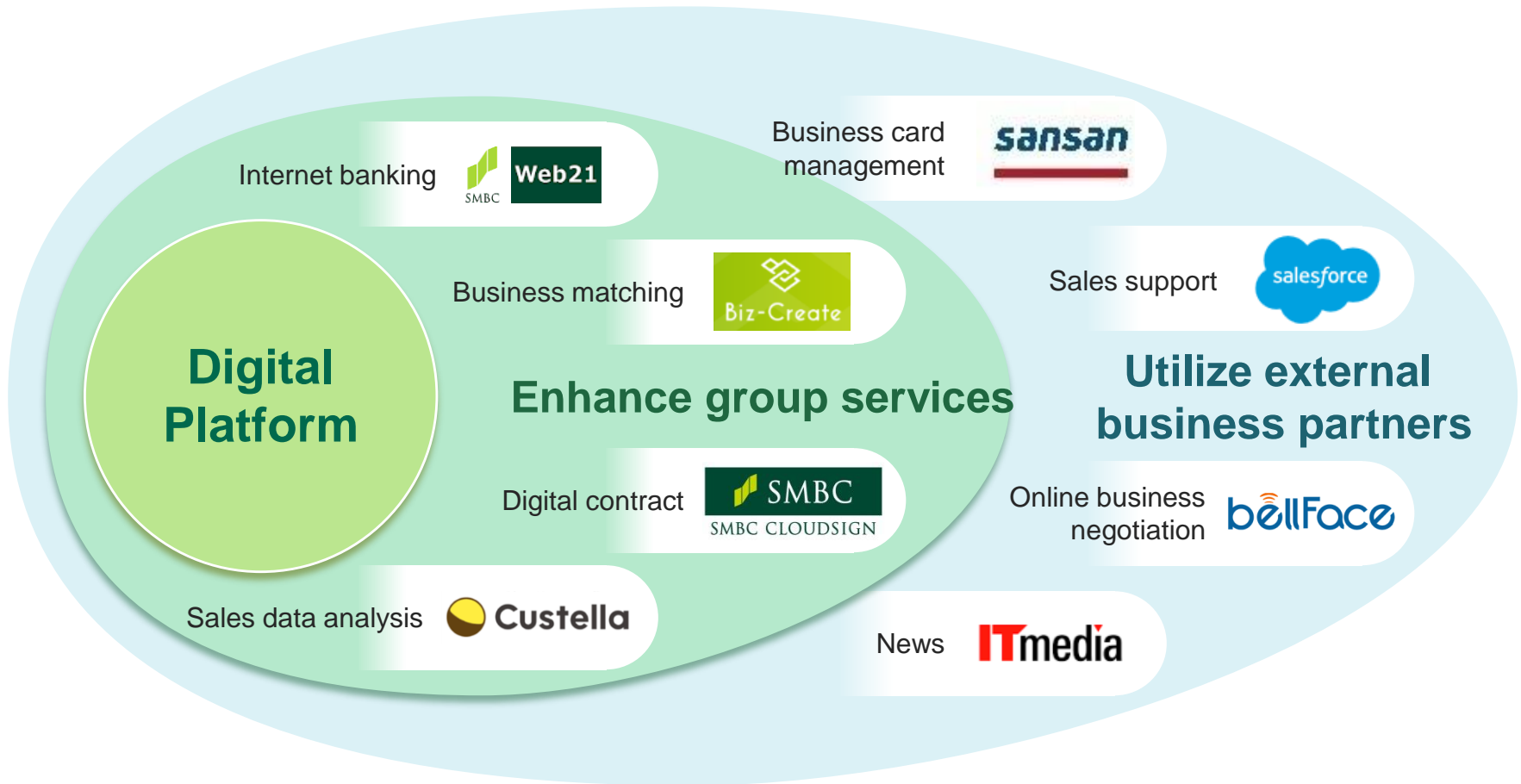
Future directions

1 Data oriented

2 Building platforms

3 Solution provider

e.g. Build a corporate digital platform



Environment

Core policies

Roadmap

Transformation & Growth

Quality

Our vision

Future directions

1 Data oriented

2 Building platforms

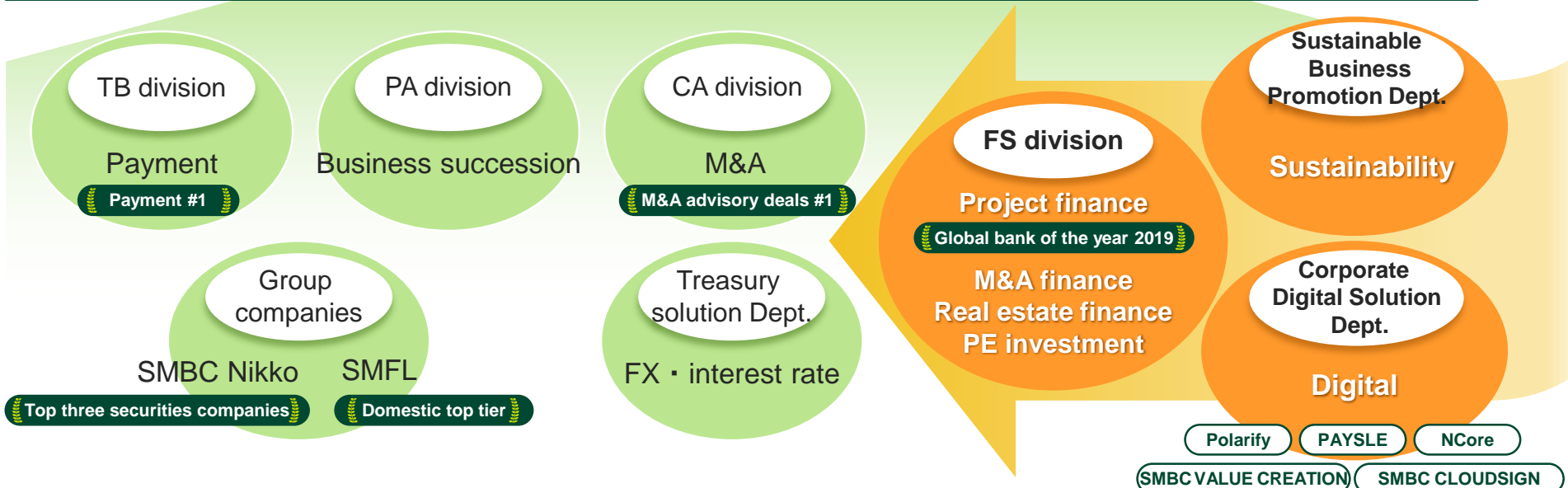
3 **Solution provider**

e.g. Enhance solution providing capability for corporate customers

Customer

Provide comprehensive solutions

Front office



Environment

Core policies

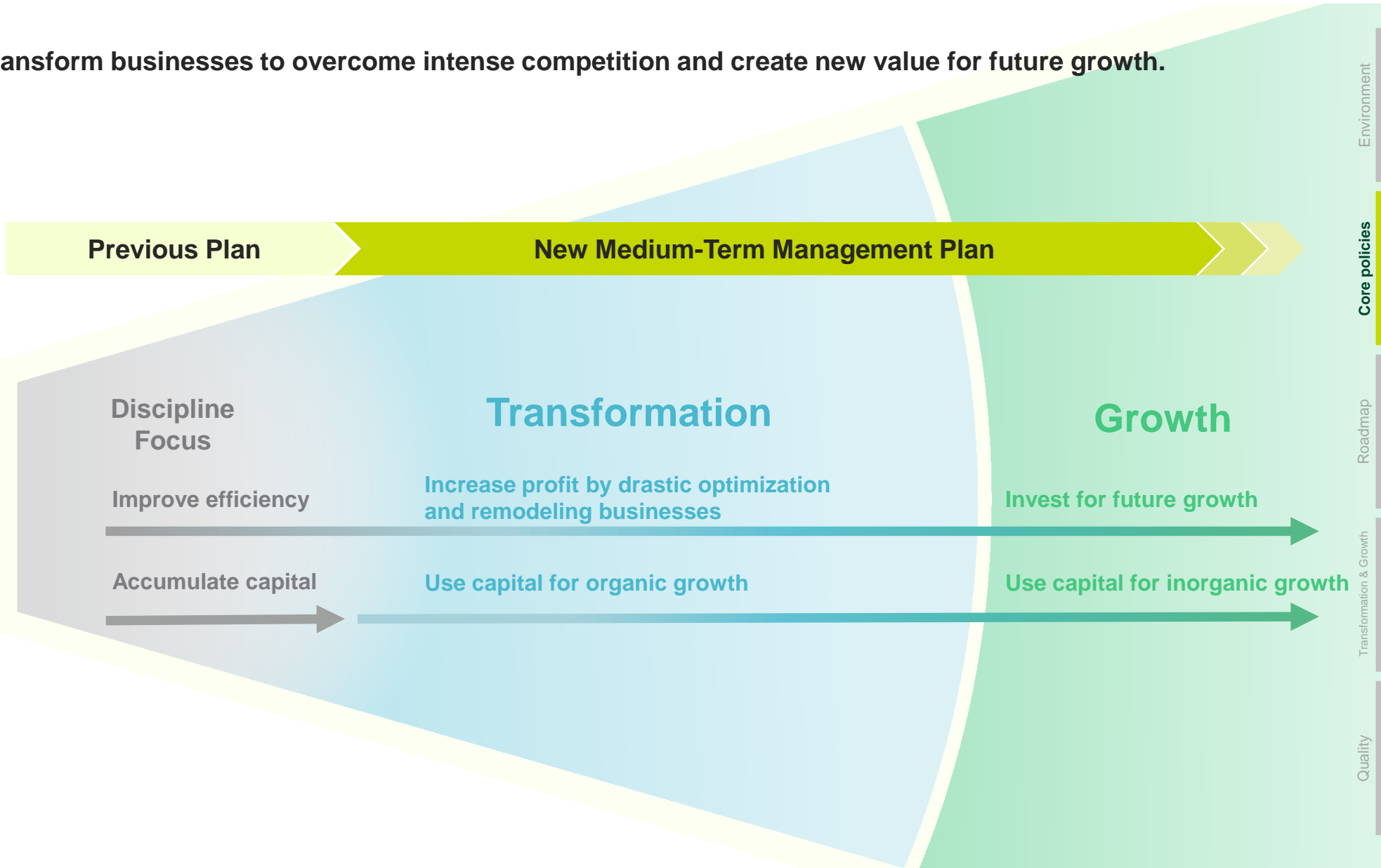
Roadmap

Transformation & Growth

Quality

Business strategies – Transformation & Growth –

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



Seven Key Strategies

Transformation

Transform existing businesses

Growth

Seek new growth opportunities

1

Pursue sustainable growth of wealth management business

2

Improve productivity and strengthen solutions in the domestic wholesale business

3

Enhance overseas CIB business to improve asset / capital efficiency

4

Hold the number one position in payment business

5

Enhance asset-light business on a global basis

6

Expand franchise and strengthen digital banking in Asia

7

Develop digital solutions for corporate clients

Quality

Elevate quality in all aspects

ESG

- Contribute to realize a sustainable society
- Enhance corporate governance suitable for a global bank

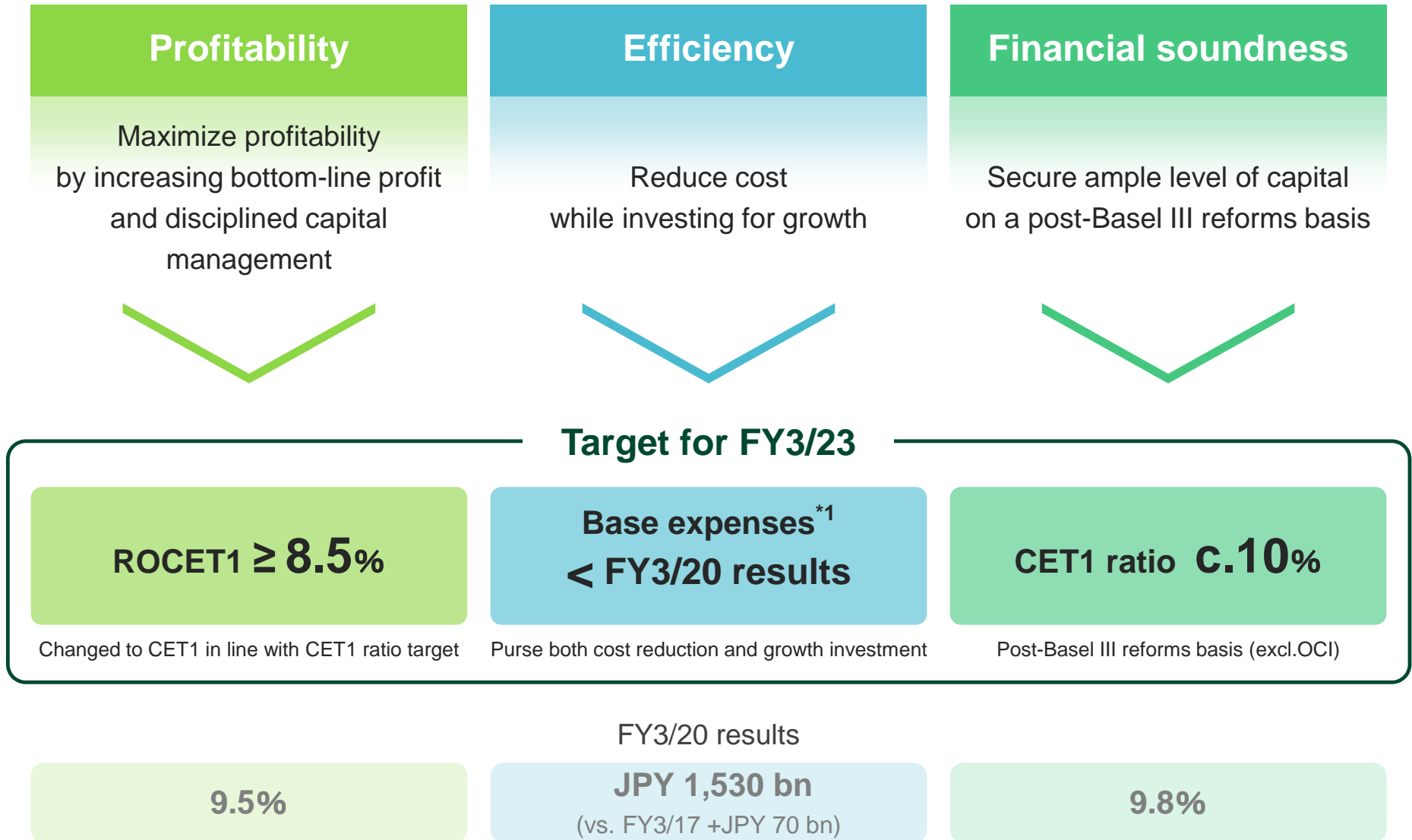
Resource management

- Sophisticate HR management to motivate employees
- Build flexible and robust IT/cyber infrastructure

Business management

- Enforce sound risk-taking
- Pursue efficient and scientific management

Roadmap to 2022 (1) Financial Targets

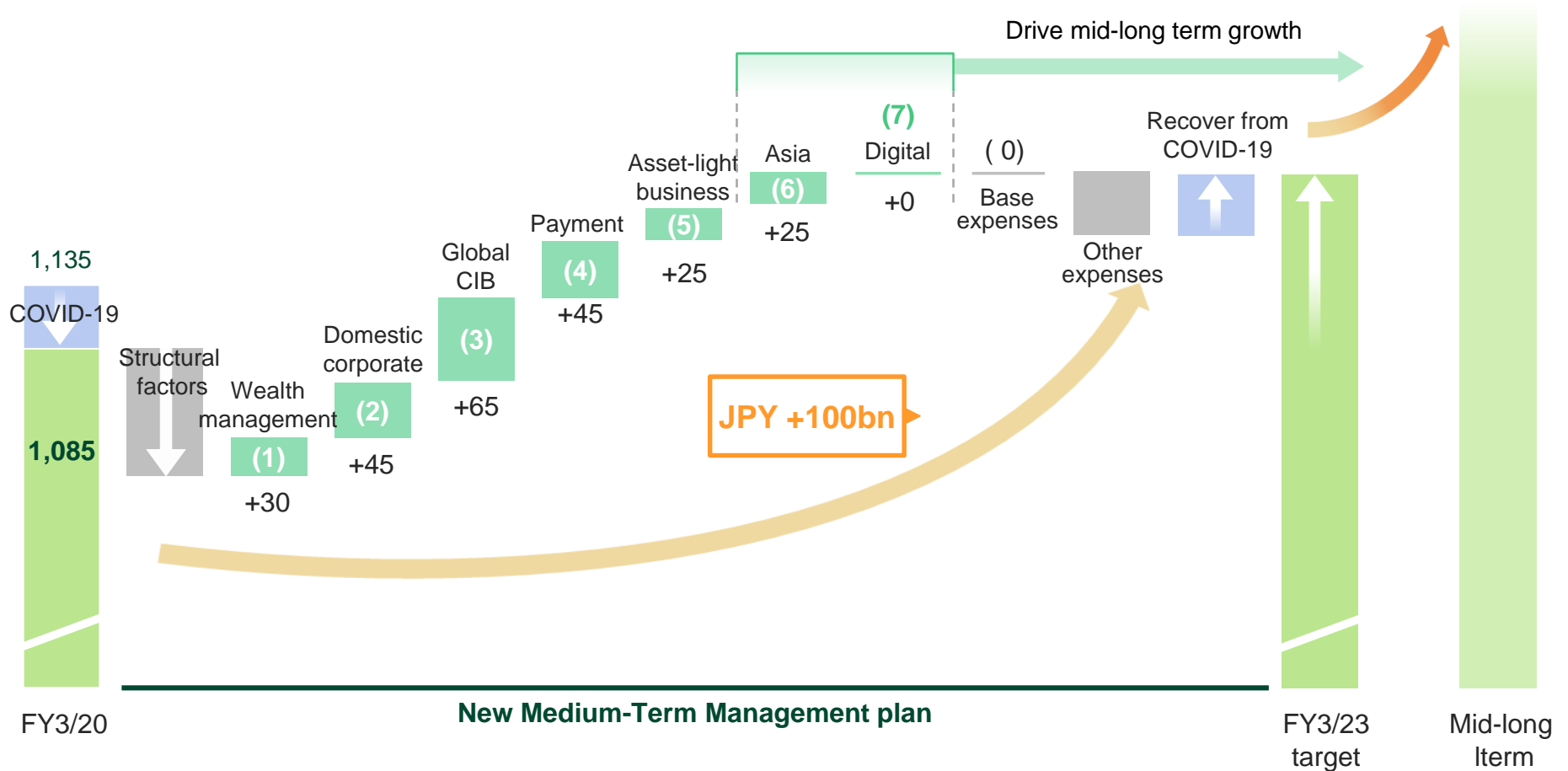


*1 G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others

Roadmap to 2022 (2) Profit

Increase consolidated net business profit by JPY +100 bn by transforming existing businesses and investing for growth. Negative impact from COVID-19 is expected to disappear by FY3/23.

(JPY bn)



Environment

Core policies

Roadmap

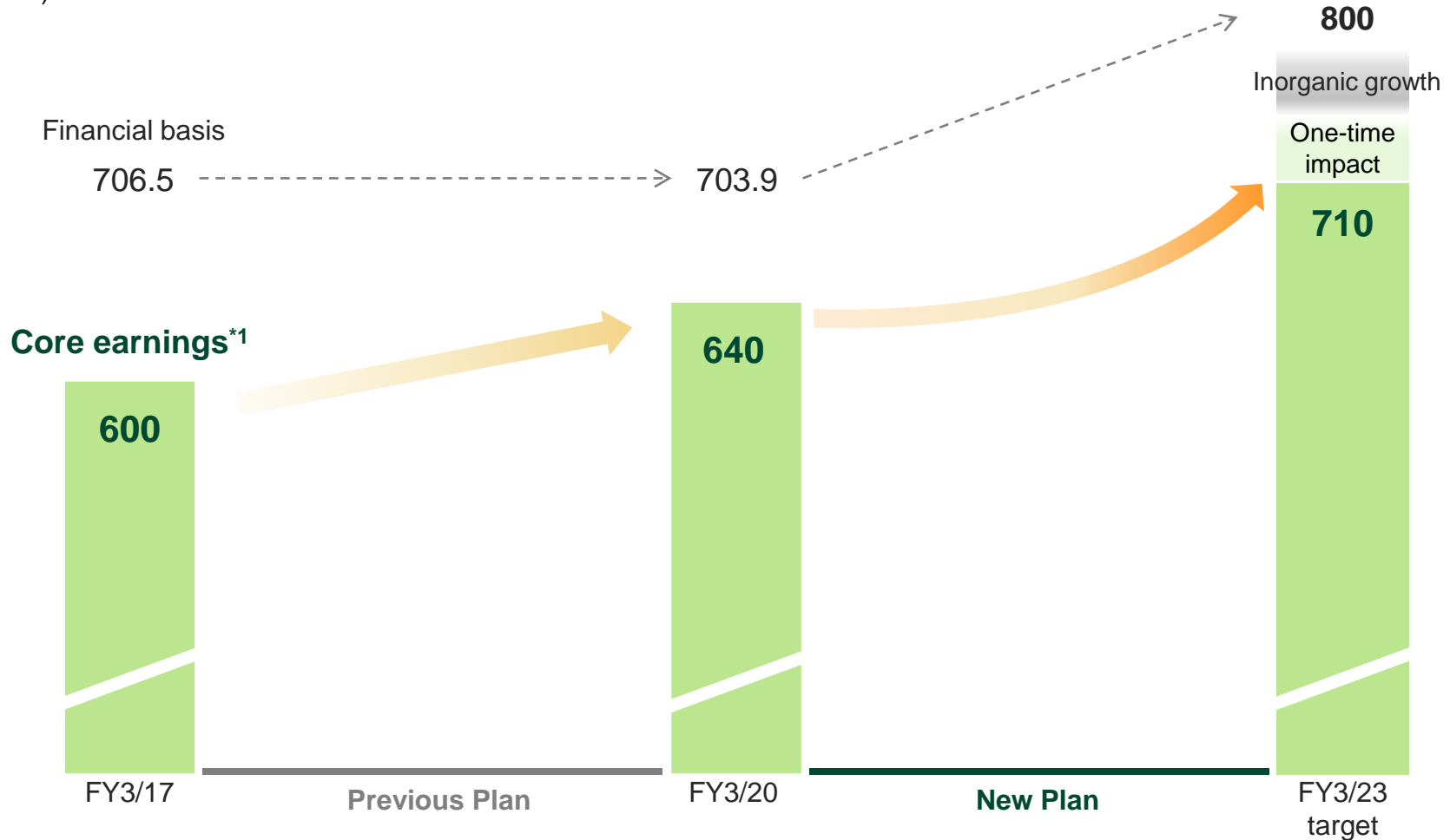
Transformation & Growth

Quality

Roadmap to 2022 (2) Profit

Increase bottom-line profit to over JPY 700 bn on a core earnings basis.

(JPY bn)



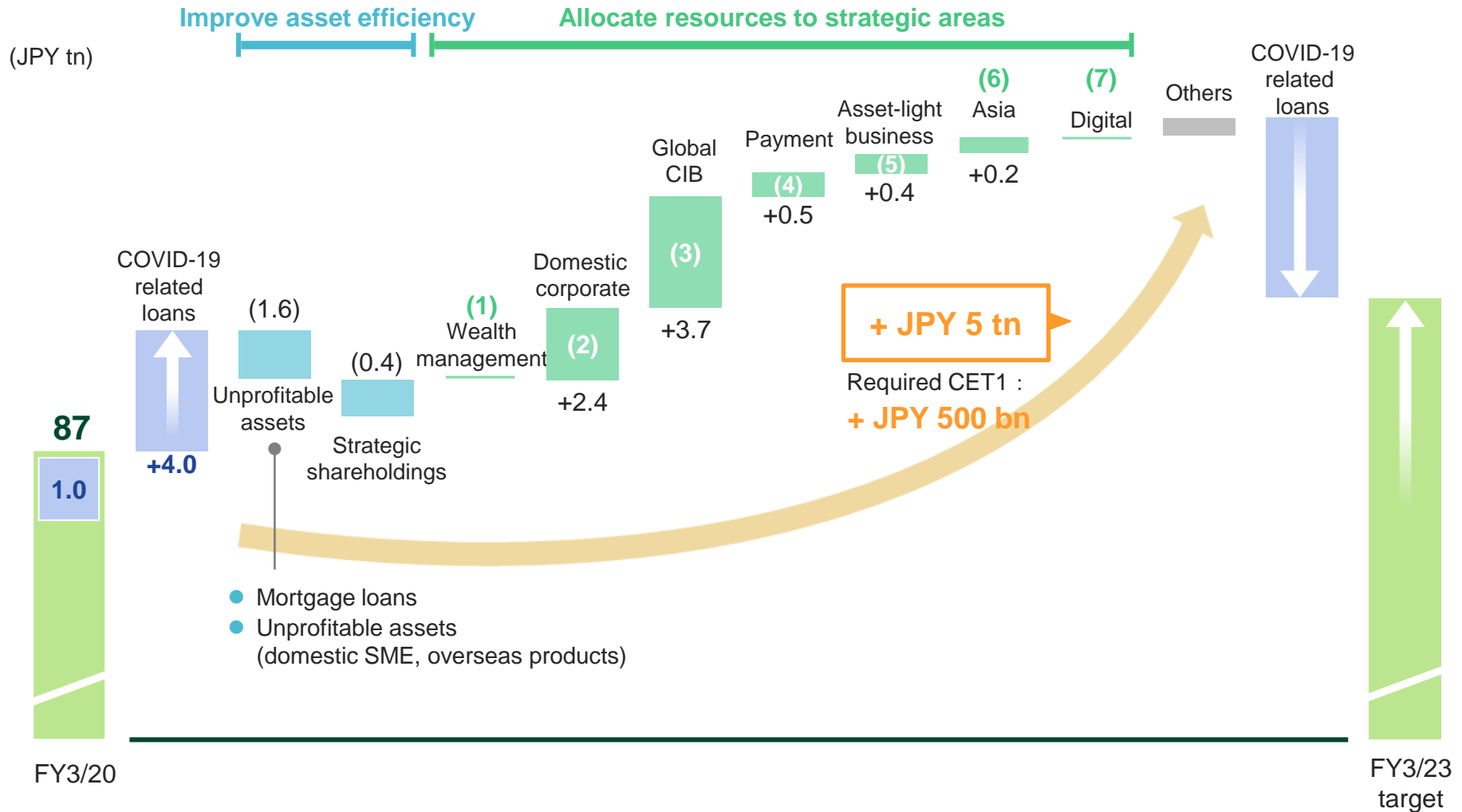
*1 Difference from financial basis:

FY3/17) impact from introducing consolidated tax system

FY3/20) gains exceeded the target on sales of strategic shareholdings and one-time impacts from group reorganization

Roadmap to 2022 (3) RWA

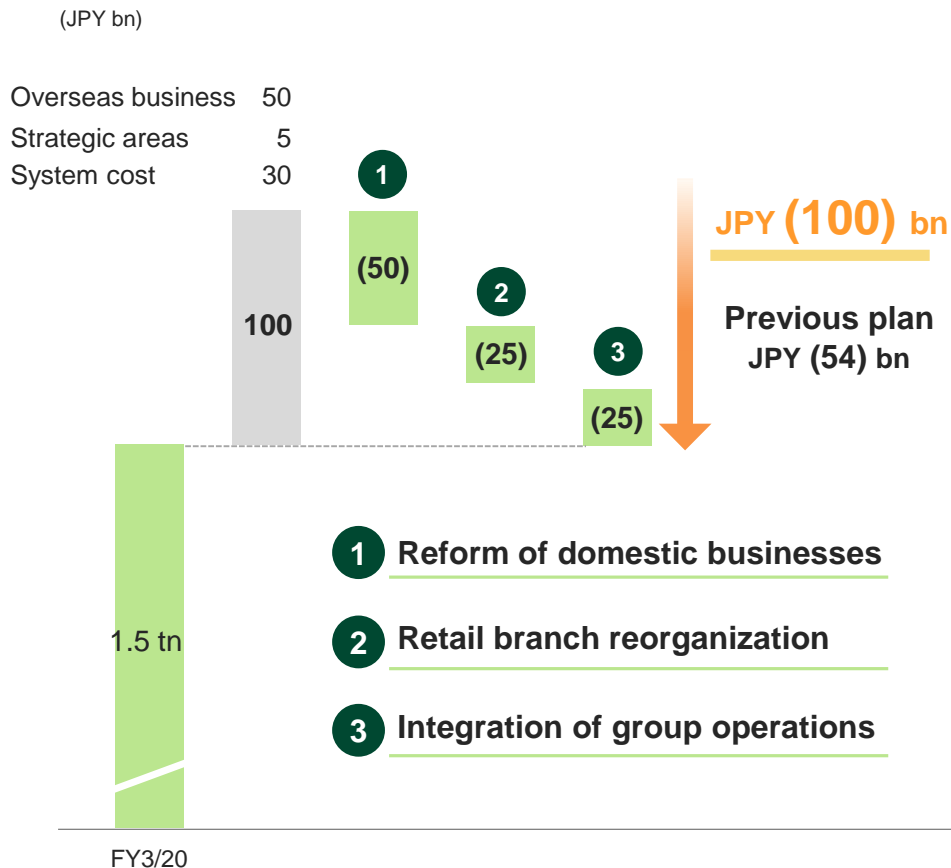
Allocate capital in growth areas while reducing unprofitable assets.



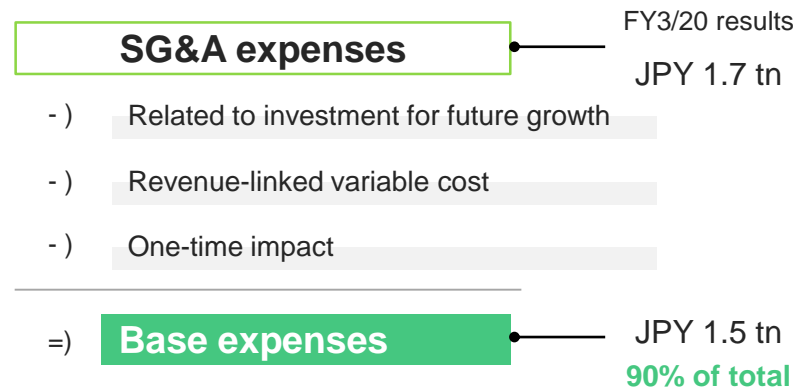
Roadmap to 2022 (4) Cost

Continue to control cost aiming to double the reduction amount of the previous plan (to JPY 100 bn).
Manage base expenses to flexibly invest for future growth.

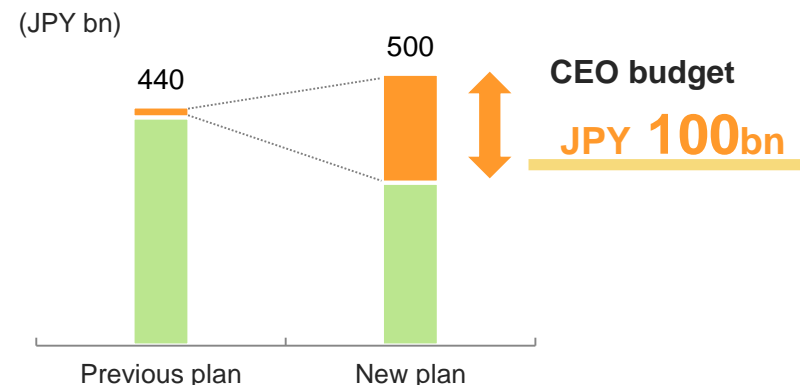
Change in base expenses for coming three years



Control of base expenses



Increase IT investment for future growth



Roadmap to 2022 (4) Cost

Key initiatives of cost reduction

1 Reform of domestic businesses

JPY 50 bn

Reform of retail business

- Optimize resource allocation of wealth management business
- Digitalize mortgage loan procedures

Reallocate workforce of domestic wholesale business

- Key strategy (2) P.39-40

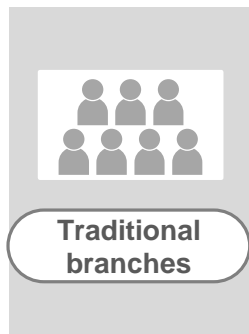
Reduce headcounts of headquarters

- (30)%

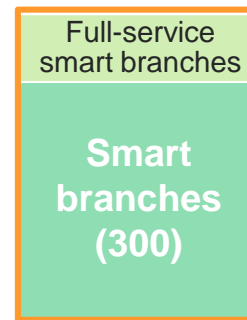
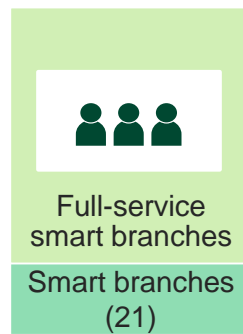
2 Retail branch reorganization

JPY 25 bn

Previous plan



New plan



438 branches

Increase smart branches to improve profitability

Improve efficiency of back office operations

Workload reduction

2.2K people

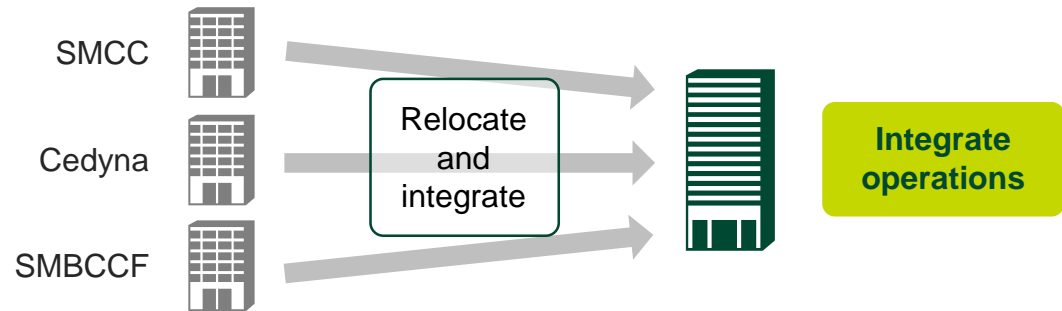
(Previous plan: 2.2K people)

Roadmap to 2022 (4) Cost

3 Integration of group operations

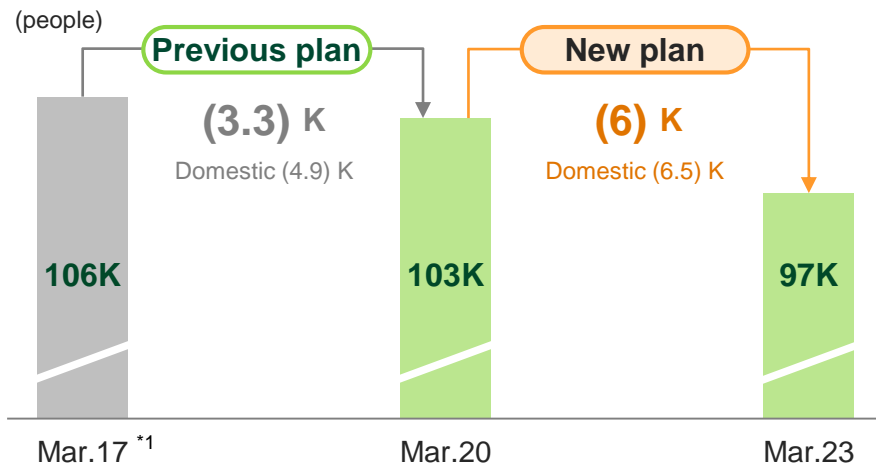
JPY 25 bn

- Relocate SMCC and SMBCCF to integrate operations
- PMI of asset management business
- Consolidate data centers / base systems of group companies



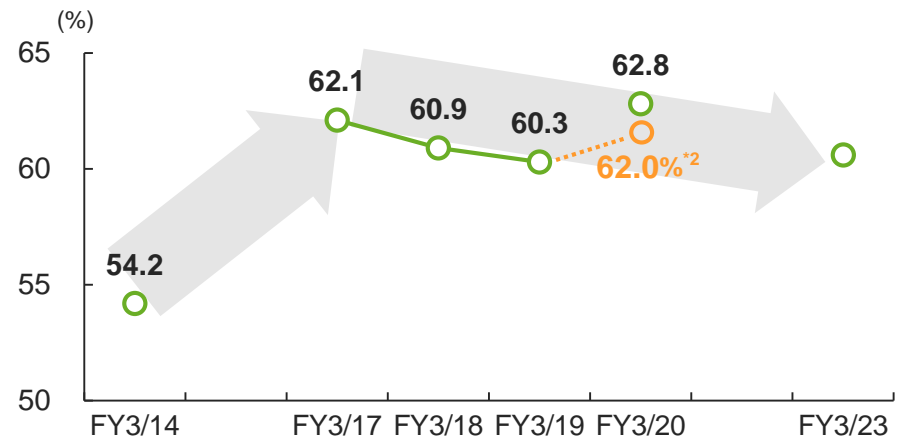
Headcount

Double number of natural attrition



OHR

Expected to be lowered to c.60%



*1 Added the impact of group reorganization retrospectively *2 Excluding impact of group reorganization

(1) Pursue sustainable growth of wealth management business

Key strategies

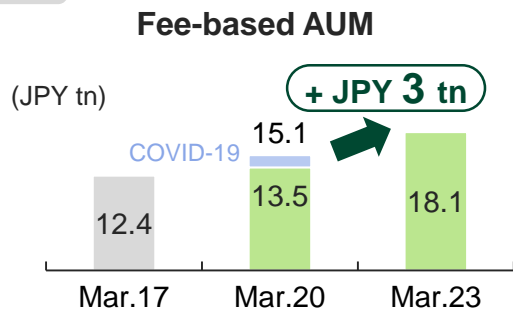
Reallocate management resources by customer segment

Enhance capability for HNWI business
Strengthen mass affluent business through digitalization

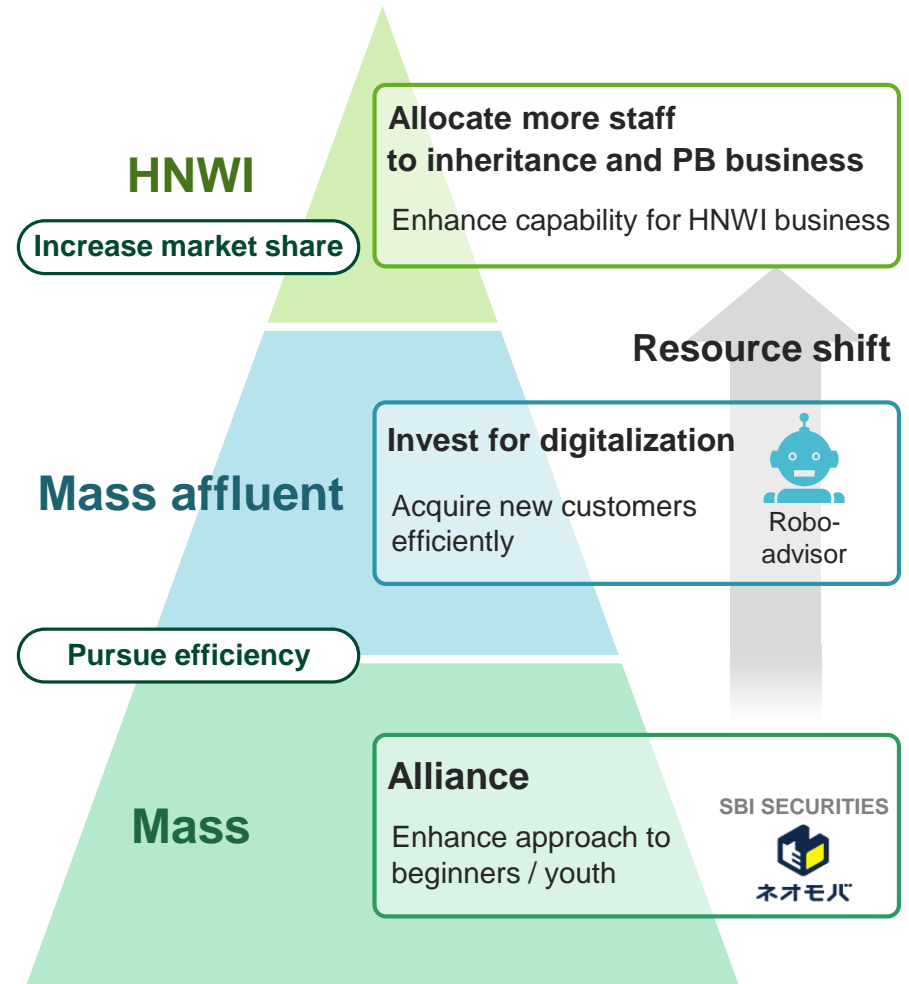
Lower the break-even point

Promote self-trading
Utilize digital channels

KPI



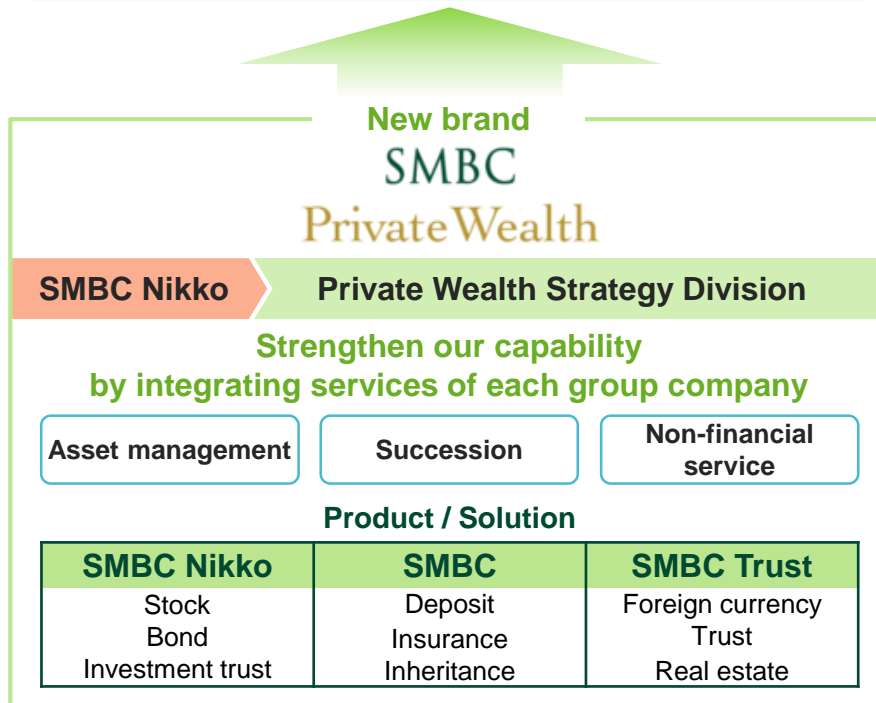
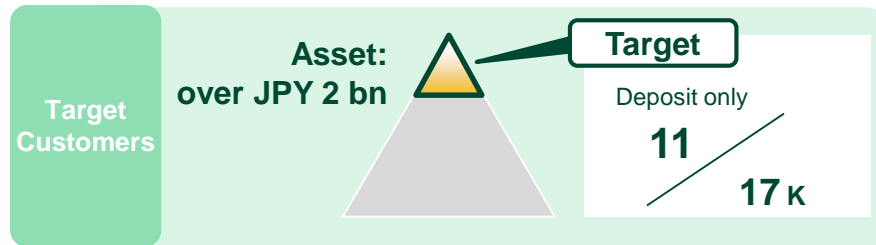
Reallocate resource by segment



(1) Pursue sustainable growth of wealth management business

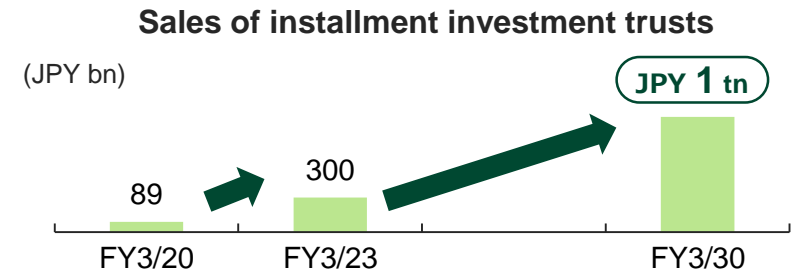
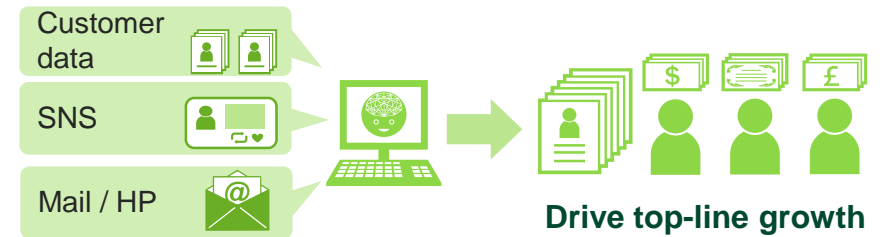
Enhance capability for HNWI

- Expand business mainly with business owners



Strengthen mass affluent through digitalization

- Personalized marketing



Lower the break-even point



(2) Improve productivity and strengthen solutions in the domestic wholesale business

Key strategies

Accelerate profit growth

Continue growth of loan income which increased YoY for the first time in 10 years

Enhance fee income by providing solutions

Provide total solutions on a group basis

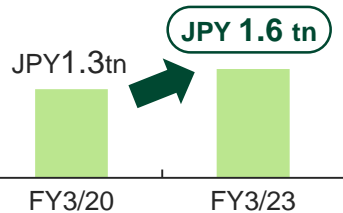
Expand product line-up in strategic areas

Shift management resource to businesses with high profit potential

KPI Initiatives in growing area

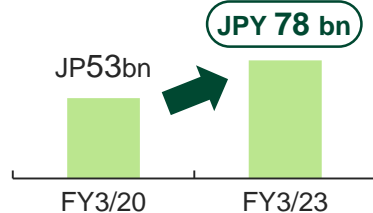
Loan

Real estate	LBO	Infra-structure	Re-structuring
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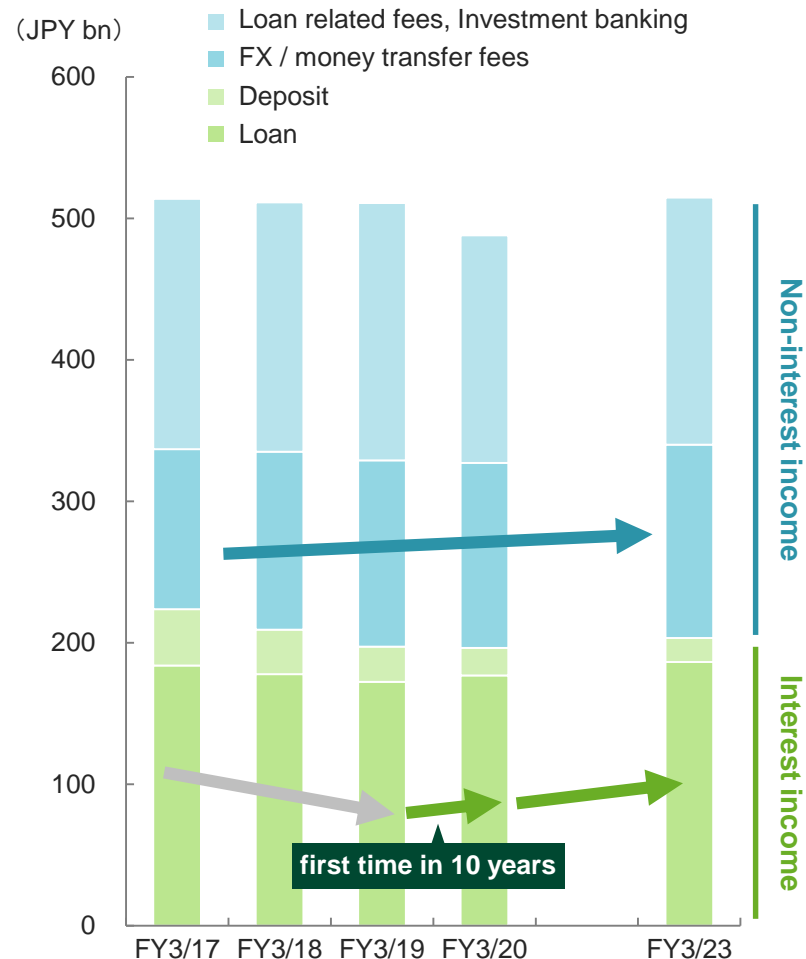


Equity

PE	Re-structuring	Real estate	Alternative
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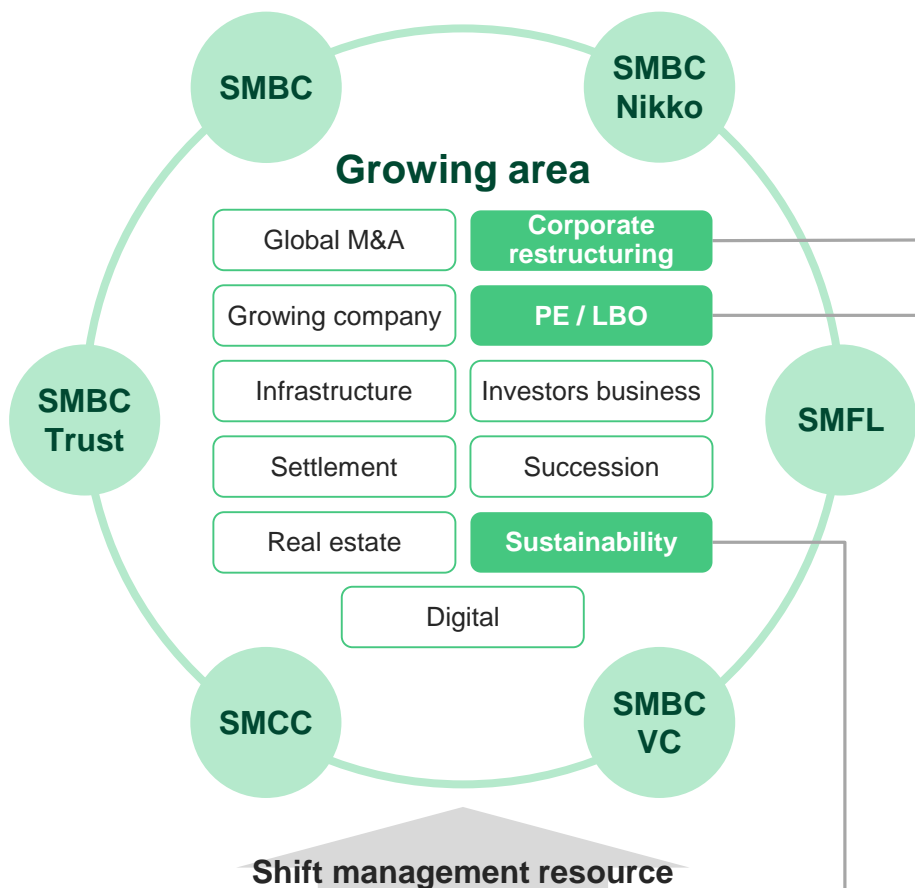


Accelerate profit growth with the decline of loan income bottoming out



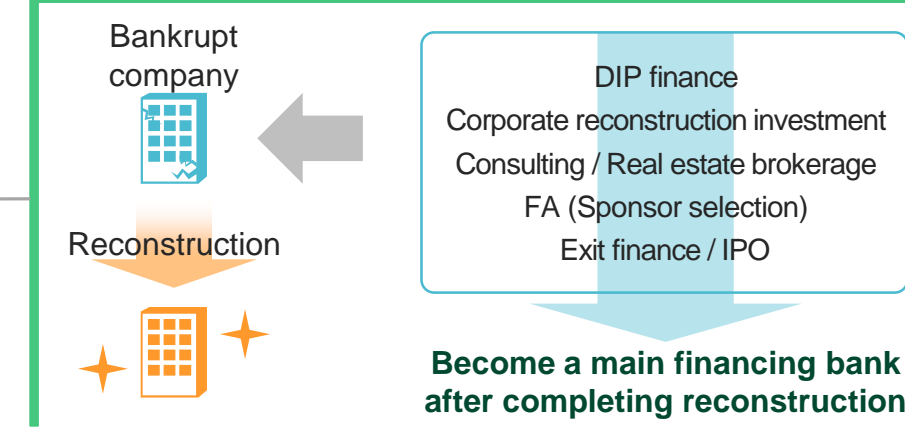
(2) Improve productivity and strengthen solutions in the domestic wholesale business

Provide total solutions on a group basis



Business competing with domestic regional banks

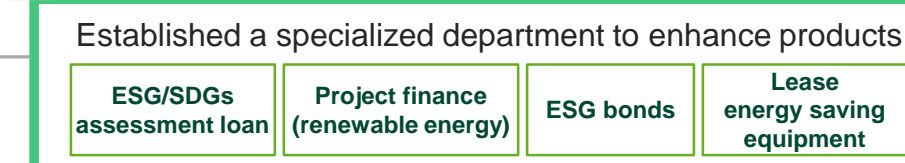
Corporate restructuring



PE / LBO



Sustainability



Environment
Core policies
Roadmap
Transformation & Growth
Quality

(3) Enhance overseas CIB business to improve asset / capital efficiency

Key strategies

Increase cross-selling by leveraging group strengths

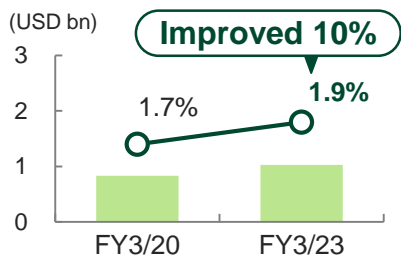
Enhance securities business mainly in the U.S.
Raise competitive edge in overseas products

Enhance investor business

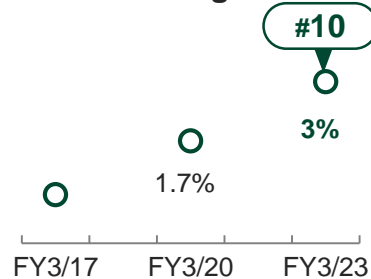
Further promote O&D
Increase non-flow products

KPI

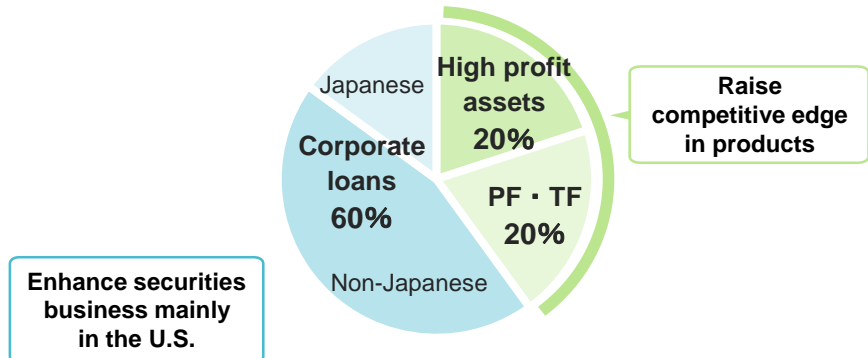
ROFA*1 / gross profit*2



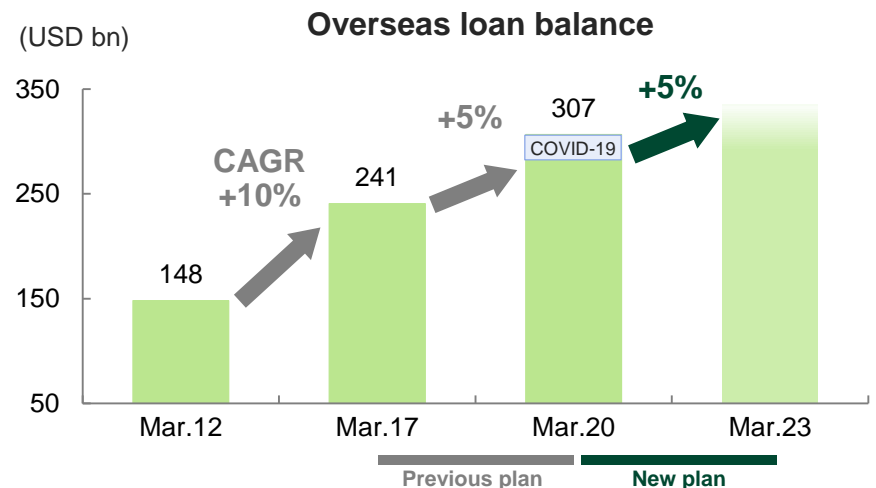
US IG bonds underwriting share



Cross-sell by leveraging group strengths



Pursue growth without excessively relying on B/S expansion

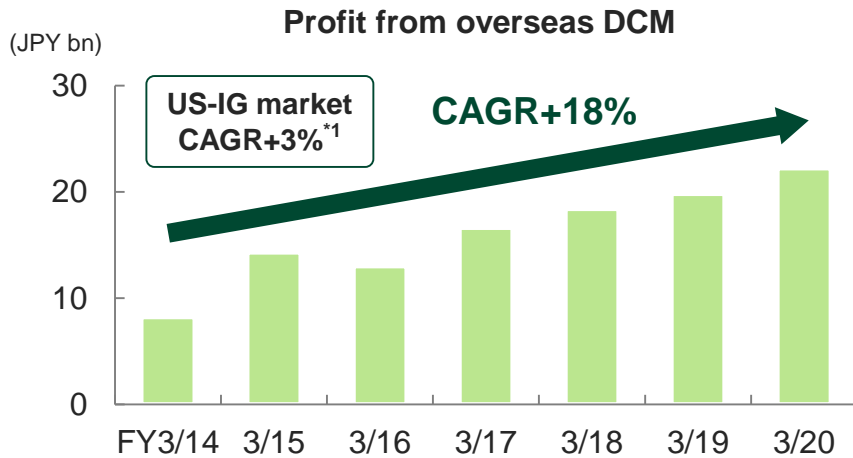


*1 Return on Funded Asset *2 Non-Japanese in the U.S. and Europe

(3) Enhance overseas CIB business to improve asset / capital efficiency

Expand securities business mainly in the U.S.

Pursue growth on a group basis



US IG bonds league table*1

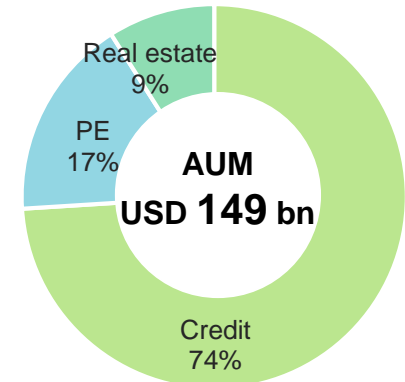
Company	Amount (USD bn)
1 JP Morgan	151
2 Merrill Lynch	147
3 Citi group	125
9 MUFG	44
10 Mizuho FG	36
15 SMBC group	23

Raise competitive edge in products



Collaboration

- Private credit
- Real estate finance
- Banking service for US companies



Enhance investors business



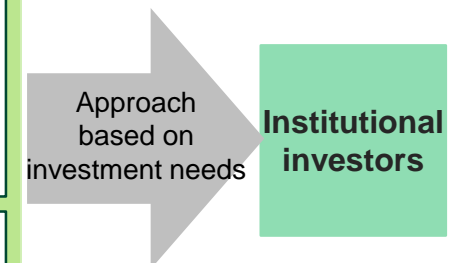
SMBC group

- O&D**
- LBO
 - Subscription Finance
 - Project finance
 - Corporate loan

Replace assets to improve efficiency

Non-flow business

- ABS
- RMBS



*1 Source: REFINITIV (Apr.19 – Mar.20)

(4) Hold the number one position in payment business

Key strategies

Accelerate cashless payment strategy

Expand customer base of both merchants and end-users

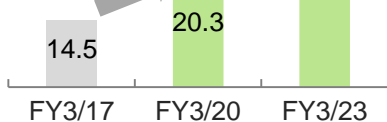
Develop payment business for corporate clients

Enhance consumer finance on a group basis

KPI

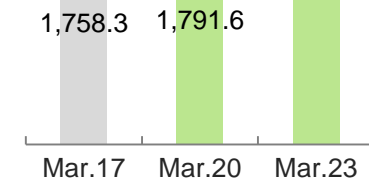
Credit card sales handled
(JPY tn)

CAGR +12%
Market:+10%



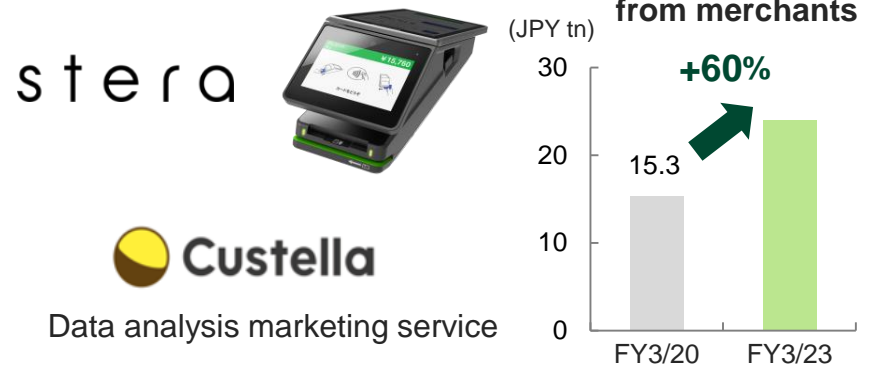
Balance of card loans*1
(JPY bn)

+JPY 100 bn



Accelerate cashless payment strategy

Accelerate building a payment platform

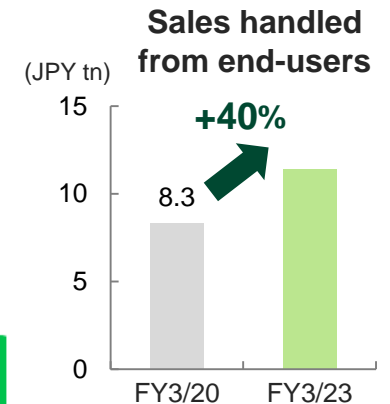


Enhance competitiveness in products

- Upgrade SMCC's credit cards and mobile app



- Acquire new customers through collaboration

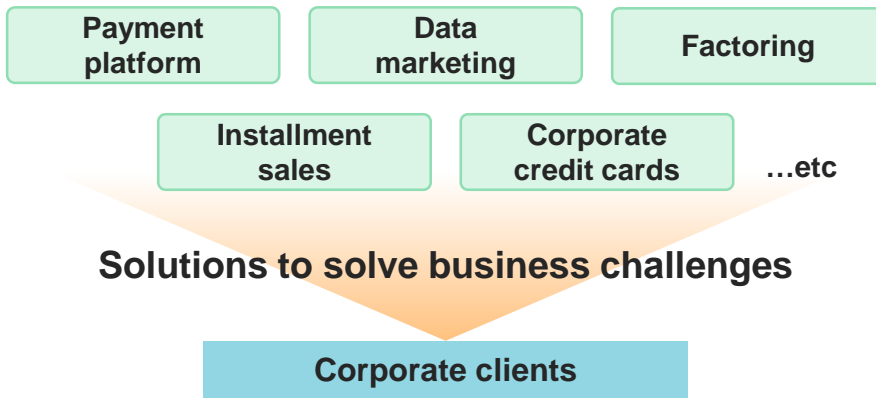


*1 sum of SMBC and SMBCCF

(4) Hold the number one position in payment business

Payment business for corporate clients

Provide various payment functions

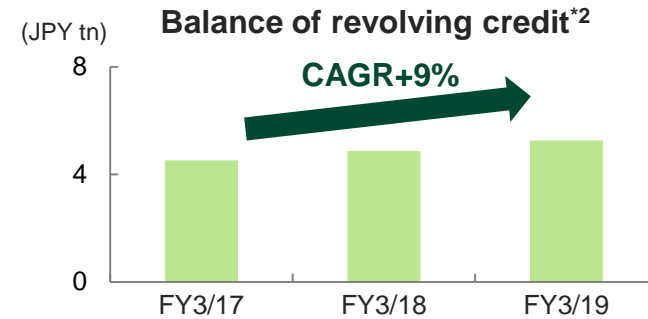


Provide new payment experience



Enhance consumer finance on a group basis

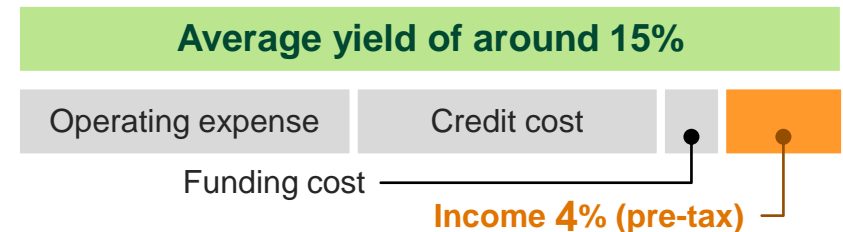
Increase revolving credit



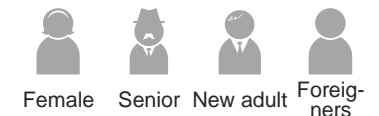
Cashless payment : CAGR +9%

Enhance consumer finance business

- Highly profitable business model

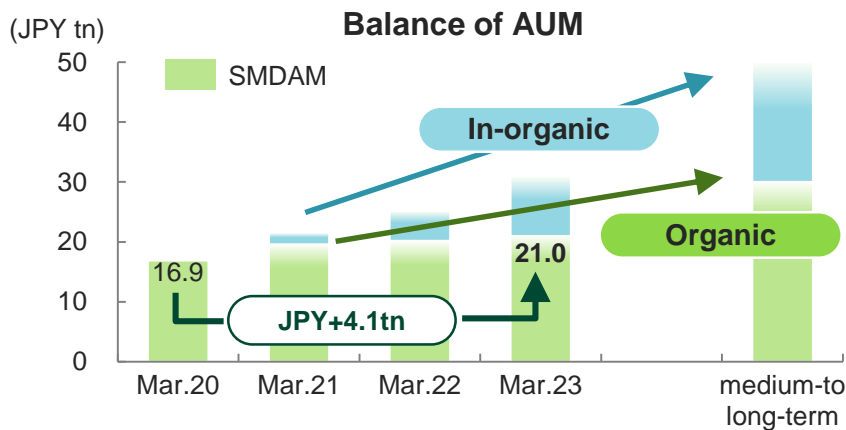
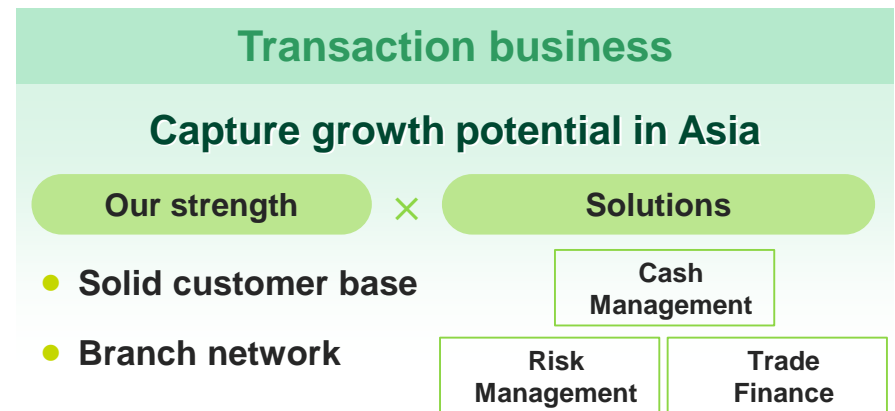
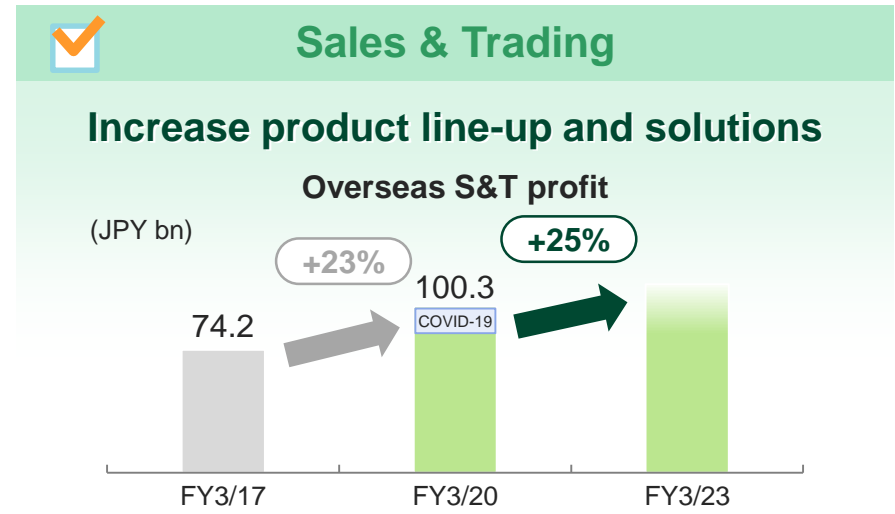
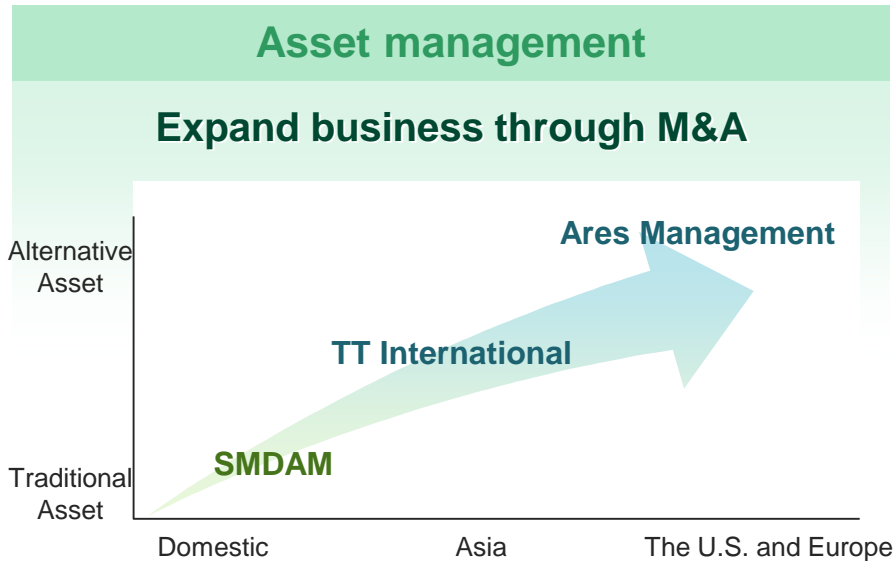


- Acquire new customer base



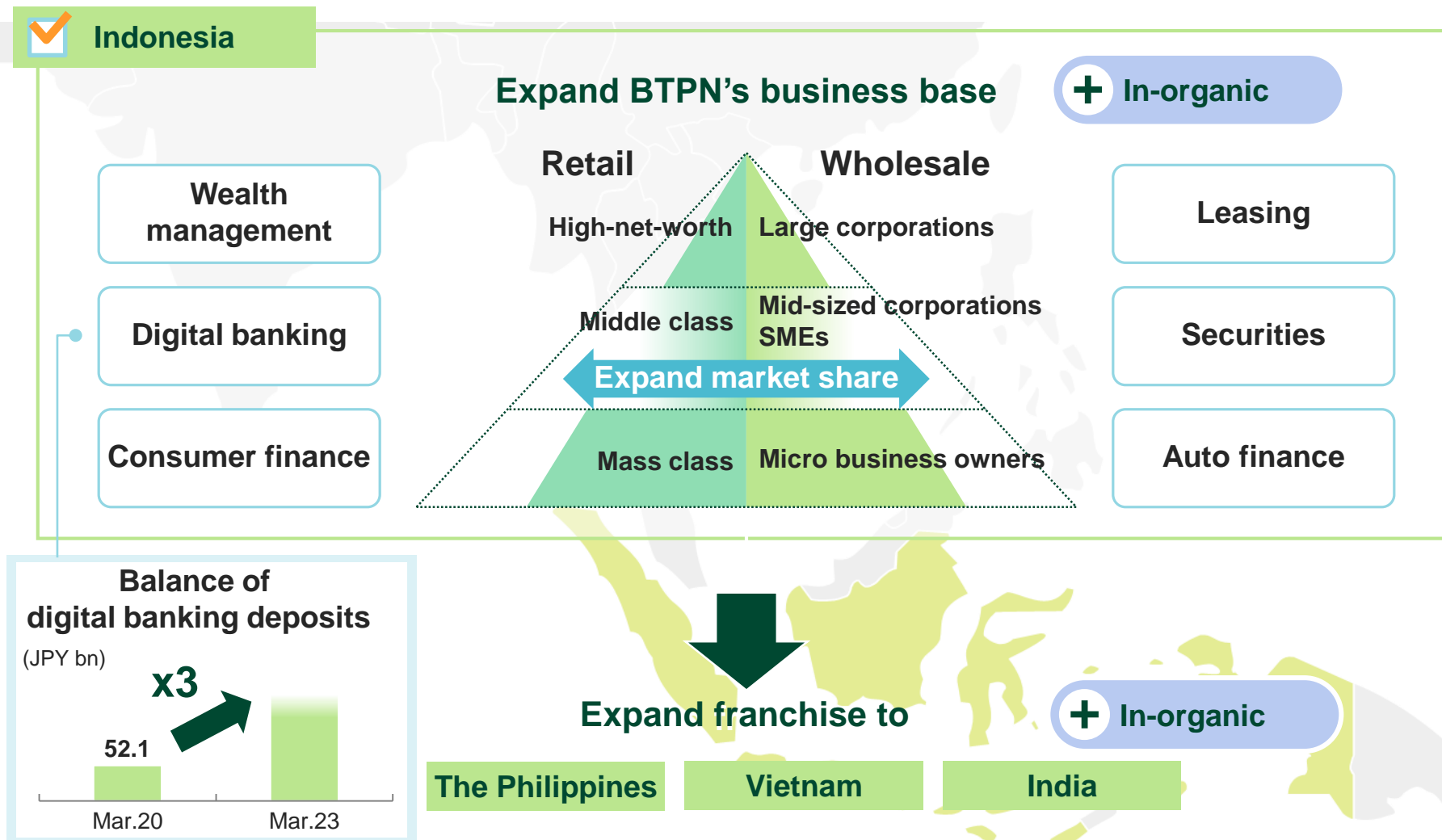
(5) Enhance asset-light business on a global basis

Grow asset-light business to one of our core businesses in mid-long term across regions and group entities.



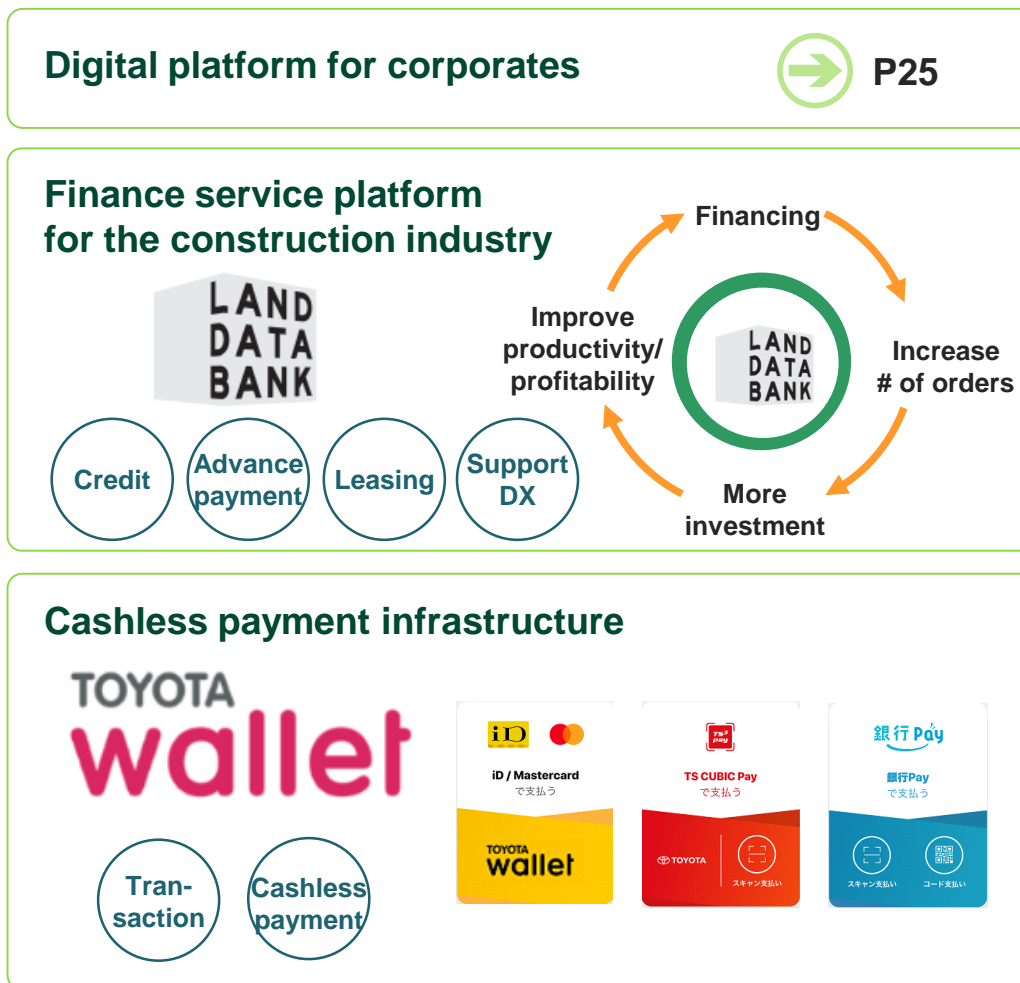
(6) Expand franchise and strengthen digital banking in Asia

Accelerate multi-franchise strategy in Asia.







(7) Develop digital solutions for corporate clients

Create new business for clients leveraging our strengths.



(Ref.) Financial targets by business unit

	ROCE1*1		Net business profit *1 (JPY bn)		RWA (JPY tn)	
	FY3/23	FY3/21-FY3/23*2	FY3/23	FY3/21-FY3/23*2	FY3/18-FY3/20*2	FY3/21-FY3/23*2
Retail	12%		305	+35	(0.3)	+0.4
Wholesale	9%		405	+45	(0.6)	+1.1
Global	9%		430	+70	+5.8	+2.5
Global markets	17%	 *3	365	(30)*3	(1.5)	+1.7

*1 Excluding the mid-long term funding costs and interest-rate risk associated to the banking account for global markets

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

*3 An increase of JPY 32 bn if excluding the amount exceeded the target due to gains on sales of bonds in FY3/20

(Ref.) M&A strategy

Pursue in-organic growth through strategic M&As while maintaining financial soundness and disciplined investment criteria.

Thorough discipline

Investment criteria

Fits with our strategy

ROCET1 \geq 8.5%

Risk is manageable

Optimize existing business portfolio

Past transactions

Kansai regional banks

SMFL

Target

1 Assets that promptly raise ROCET1

Highly profitable assets

Aircraft leasing

LBO

New businesses

Asset management

2 Investments for the future

Asia

Digital

Securities

Trust

Past transactions



Acceleration of sustainability management

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

Establish sustainability management

Oct.18

Corporate Sustainability Committee

- **Chairman** Group CEO
- **Members** CEO of group companies

Apr.20

Group Mission



Statement on Sustainability

SMBC Group "GREEN x GLOBE 2030"

"Create the future of the earth and humanity with our customers"

Planning

KPIs

SDGs

Materiality

Environment

- ▶ Green Finance
- ▶ Green Bonds Issuance



Next Generation

Community

- ▶ Finance education
- ▶ Retail deposits in Asia



Human Resources

Governance

- ▶ Female managers
- ▶ Childcare leave



Engagement with stakeholders

Customers

Shareholders

Employees

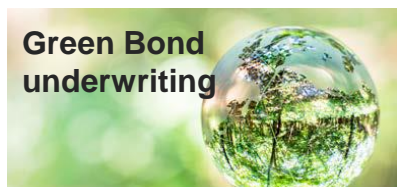
Society

SMBC Group “GREEN x GLOBE 2030”



Green Finance

KPI **JPY 10 tn** by 2030



CO2 Reduction

KPI **30% reduction** by 2030



Domestic 4 head office buildings

Convert **100%** electricity into renewable energy

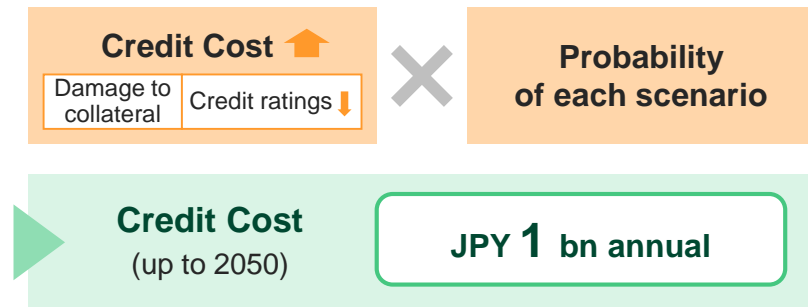
ESG (1) Environment

Proactive in environmental issues : first global financial group to disclose the impact of climate-related risks.

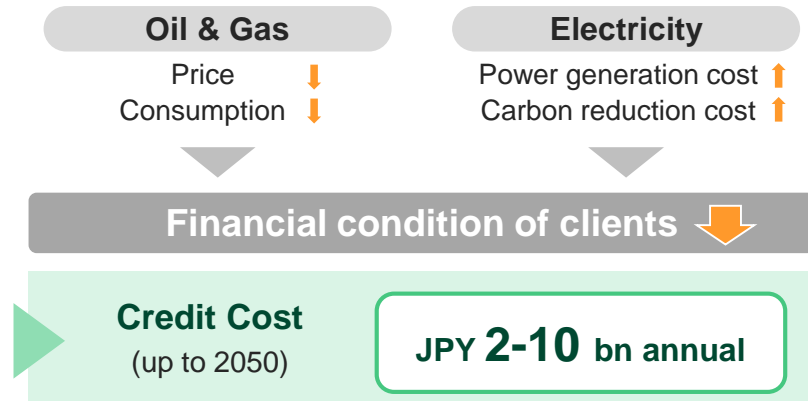
Climate Change Impact (TCFD)

First to disclose as G-SIFs

Physical risk of water disasters



Transition risk to a low-carbon society



Expanding of lending policies by sector



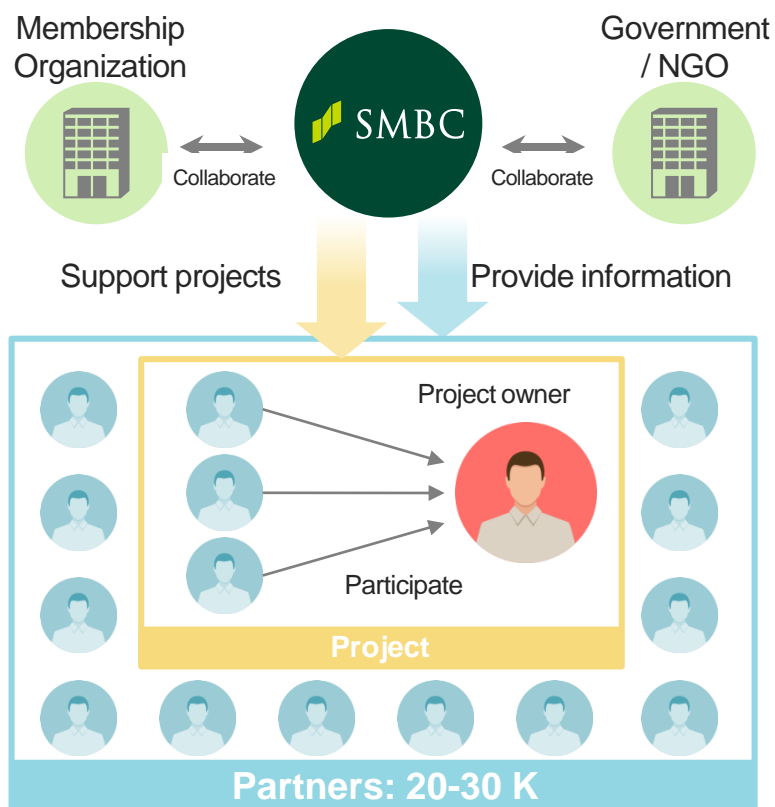
- Will not support newly planned plants in principle (Exceptions may include ultra-supercritical pressure projects)
- Reduce outstanding loans to zero by FY2040 (Project finance excluding projects contributing to decarbonized society)

ESG (2) Social

Realize a sustainable society by solving social issues.

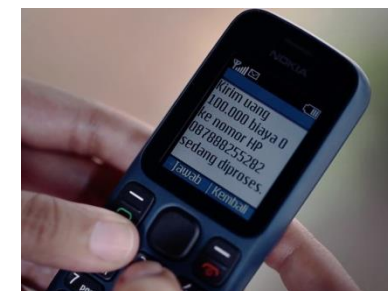
GREEN x GLOBE Partners

Community platform for solving social issues



Financial Inclusion

Expand retail finance services in Asia



Provide finance education

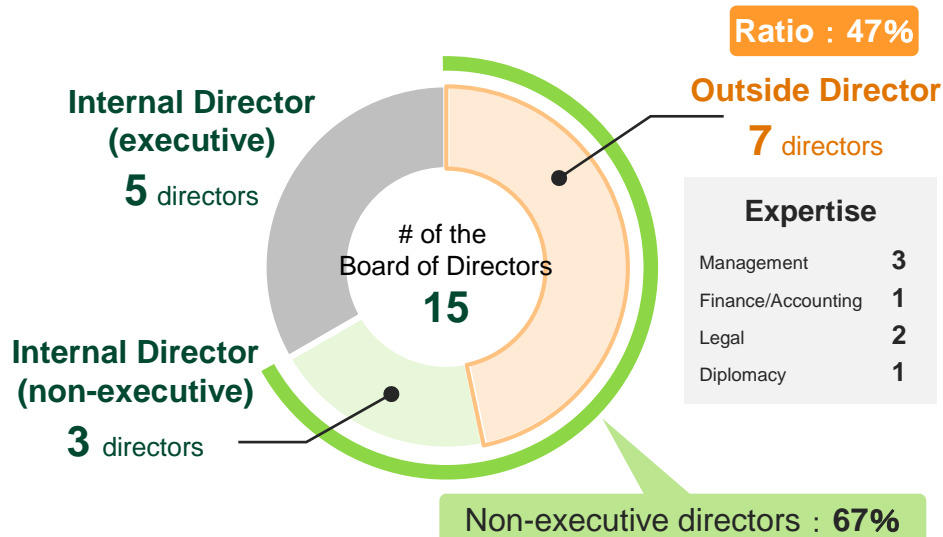
Target by 2030 : 1.5 mn people



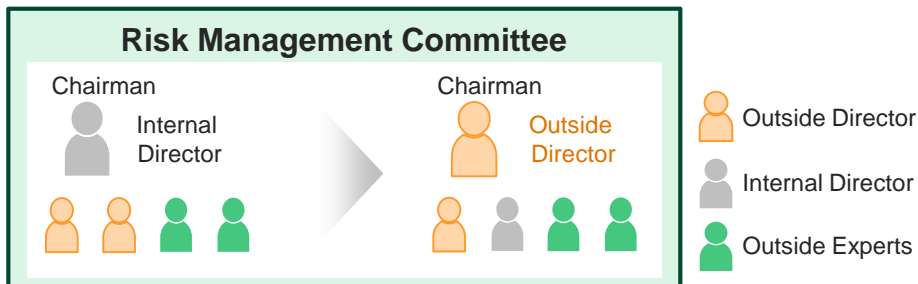
ESG (3) Governance

Continue enhancing corporate governance as the foundation of sustainability management.

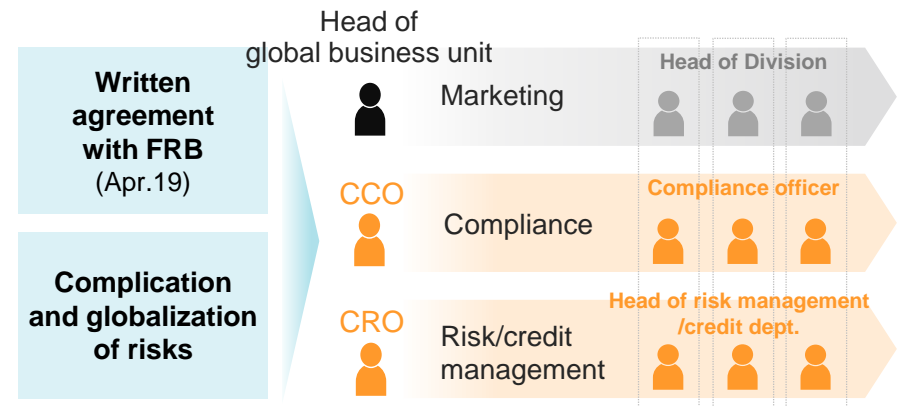
Board of Directors



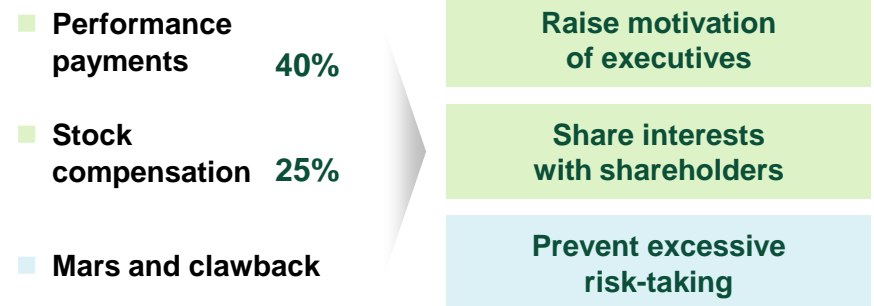
Replace chairman of risk management committee*1



Enhance compliance and risk management



Compensation policy for executives

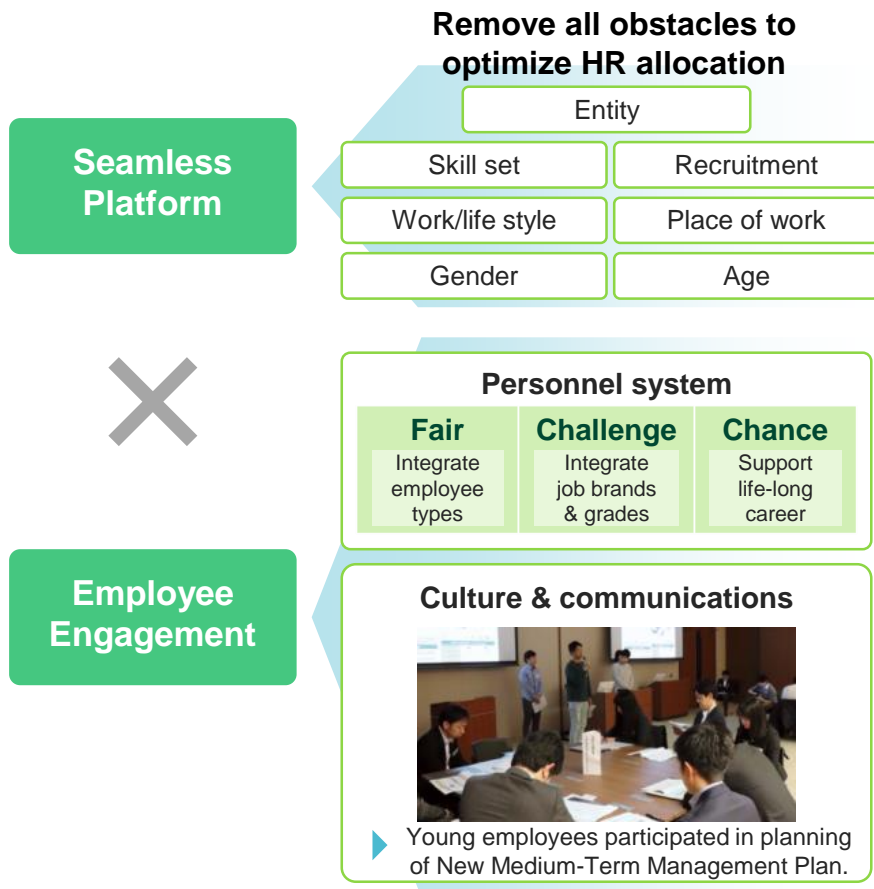


*1 Plan to propose the election to the board of directors after shareholder meeting on June. 20

HR Management

Create a positive work environment and support development of employees.

Enhance diversity and engagement



Realize flexible and diversified working style

Working from home



Free dress code



Provide a safe work environment

COVID-19

- Ensure safety of employees
- Prevent cluster infection
- Healthcare support to employees and family

Working from home
Off-peak commuting

Staggering staff and shifts

Additional paid time-off
Mental healthcare office

Communication with stakeholders

Enhance engagement with stakeholders and disclose non-financial information in a timely manner.

- Green Globe Partners
- CSR activities focusing on environmental issues

- Enhance non-financial disclosure
- ESG meeting



- Town hall meetings
- Business ideas contest

- Endorsing initiatives
- Respond to climate change

KPIs

Environment	▶ Green finance	JPY 10 tn by 2030
	▶ Green bondissuance	At least once a year
Community	▶ Retail deposits in Asia	x3 by 3/23
	▶ Credit card sales handled	JPY 30 tn by 3/23
Next Generation	▶ Finance education	1.5mn people by 2030
	▶ # of IPOs arrangement	No.1 in Japan
Human resources	▶ Female managers	20% by FY3/26
	▶ Childcare leave	Maintain 100%

(Ref.) ESG indices and initiatives

Selected ESG indices

GPIF selected



FTSE Blossom
Japan



MSCI Japan ESG
Select Leaders Index



MSCI Japan Empowering
Women Index (WIN)



FTSE4Good



2019 Constituent
MSCI ESG
Leaders Indexes



Member of SNAM
Sustainability Index
2019



Bloomberg
Gender-Equality
Index

Endorsed initiatives

WE SUPPORT



Signatory of:



UNEP
FINANCE
INITIATIVE

PRINCIPLES FOR
RESPONSIBLE
BANKING



We
Support



www.weprinciples.org



(Ref.) External awards



2019 Award for Excellence
in Corporate Disclosure
— Industries —

SAAJ The Securities Analysts
Association of Japan



(SMBC)



(SMBC Nikko)





III. Impact of COVID-19

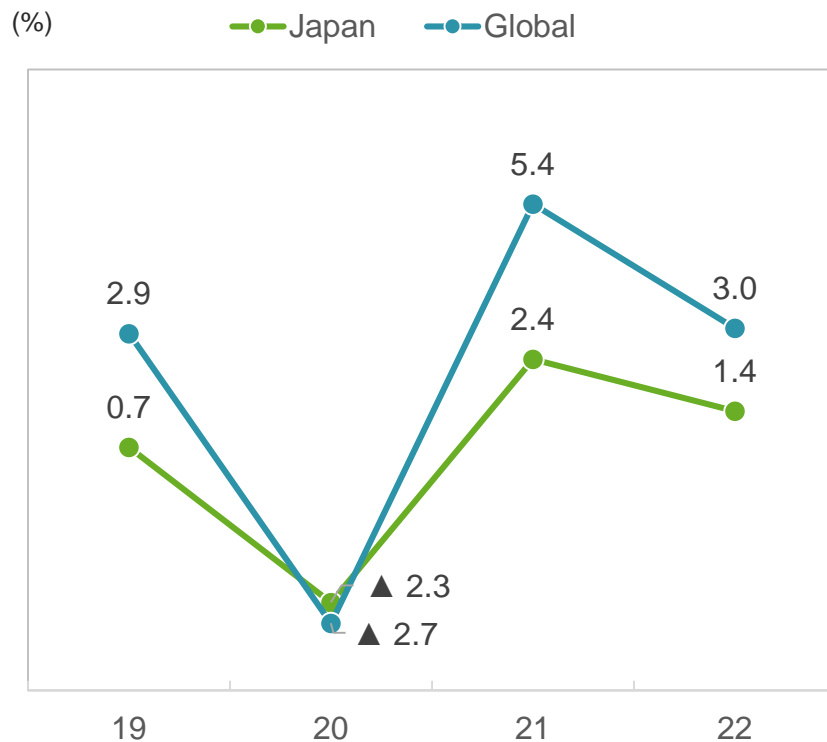
Our scenario

GDP growth rate is expected to be negative in 2020 and recover after 2021.

While economic slowdown brings negative impact to our profits, loan demand from companies including prime companies is increasing.

GDP growth rate*1

Impact of COVID-19 in 2020



Impact of COVID-19 on our business

Retail	Sales of investment products	↓
	Credit card sales handled	↓
Wholesale	Fee-income	↓
	Securities business	↓
	Loan income	↑
Global	Loan income	↑
	Deposit income	↓

*1 As of May 20. Source: The Japan Research Institute

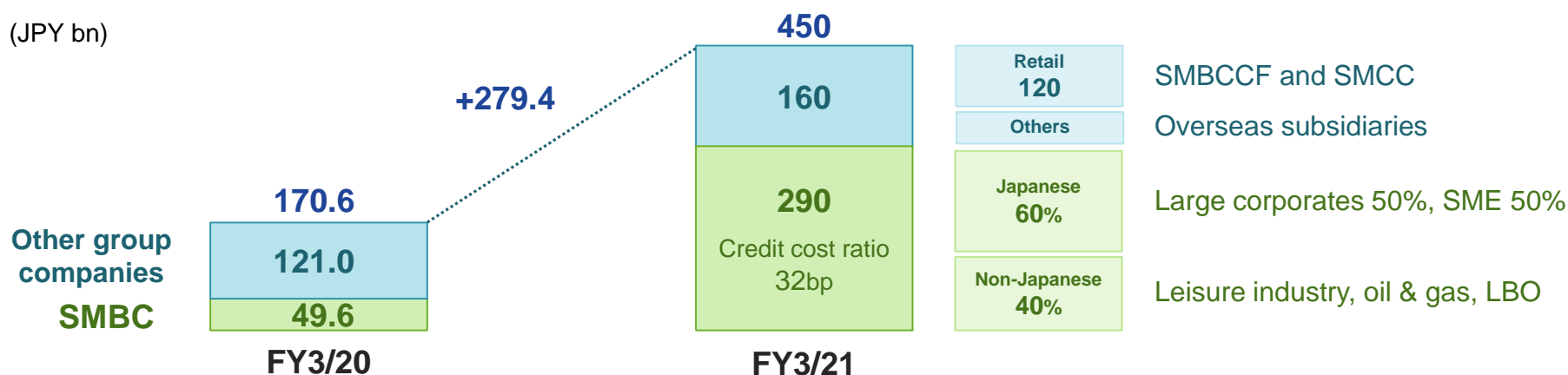
COVID-19 impact on earnings

Lower net business profit and increase of credit cost. Loan increase is affecting capital management.

(JPY bn)		FY3/20		FY3/21 target			
			Impact of COVID-19	As of Feb.20	Revised	Impact of COVID-19	Notes
P/L	Consolidated Net Business Profit	1,085.0	(50)	1,140	970	(170)	Lower profit in businesses including wealth management
	Credit Cost	170.6	+40	190	450	+260	Higher credit cost reflecting macro situation and provision for specific credit
	Gain(Loss) on Stocks	80.5	(23)	-	-	-	-
	Extraordinary gains (losses)	43.4	(40)	-	-	-	-
	Profit attributable to owners of parent	703.9	(110)	710	400	(310)	
Capital	RWA (JPY tn) Δ of CET1 ratio (%)	86.4	+1 (0.1)%	87	92	cumulative +5 (0.5)%	Extending loans to both domestic and overseas customers

Credit cost

Credit cost increase expected both domestically and globally due to COVID-19. However, the financial sector have improved asset quality and resiliency since the Financial crisis in 2008.



Comparison		Current	Financial crisis in 2008
Credit cost		(FY3/21 forecast) JPY 450 bn	(FY3/09) JPY 767.8 bn
Asset quality	Retained earnings	Japanese large corp. total JPY 463 tn	JPY 241 tn
	NPL ratio	(Mar.20) 0.5 %	(Mar.08) 1.2 %
Higher resilience in financial sector due to stricter international regulation		Liquidity support from central banks	Global liquidity crisis
		Capital accumulation of financial institutions	Shortage in capital and liquidity of financial institutions
		► Provide credit to clients suffering from COVID-19	► Fund shortage at real estate and nonbank sector
		Tier1 ratio	Credit cost
		Mar.20 16.6%	Mar.08 6.9%
			Real estate (SMBC) JPY 100 bn
			Kansai regional banks*1 JPY 100 bn

*1 Deconsolidated in Mar.17

(Ref.) COVID-19 vs 2008 Financial crisis

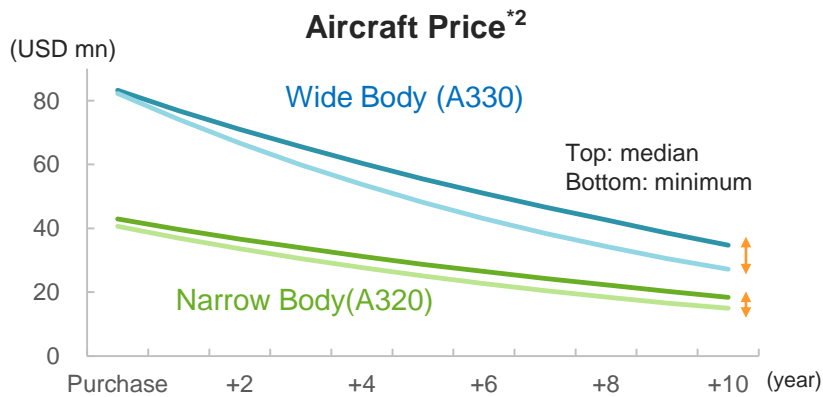
Risk of recording large impairment loss is limited, while credit cost is expected to increase.

Impact is expected in areas including aircraft leasing, credit to natural resources, and foreign currency funding.

		Current	Financial crisis (FY3/09)	Difference
Bottom-line profit		(FY3/21 target) JPY 400 bn	JPY (373.5) bn	+ JPY 773.5 bn
Difference	Credit cost	(FY3/21 forecast) JPY 450 bn	JPY 767.8 bn	JPY (317.8) bn
	Impairment	Stockholdings break-even Nikkei average JPY 8K No goodwill in major investments	Loss on stocks JPY 183.7 bn	JPY (150) bn
	Income taxes	Completed write-off of large NPLs	Reversal of DTA JPY 305.2 bn	JPY (300) bn
		Change	Response	
New risk factors	Aircraft leasing	Rapid decrease in passenger aircraft demand	High liquidity of aircraft portfolio Sufficient liquidity	
	Natural resources	Low oil prices	Cautious approach to upstream and services	
	Foreign currency funding	Increase in funding cost	Fully cover loan balance with deposits and mid-long term funding Diversified funding source	

Aircraft Leasing

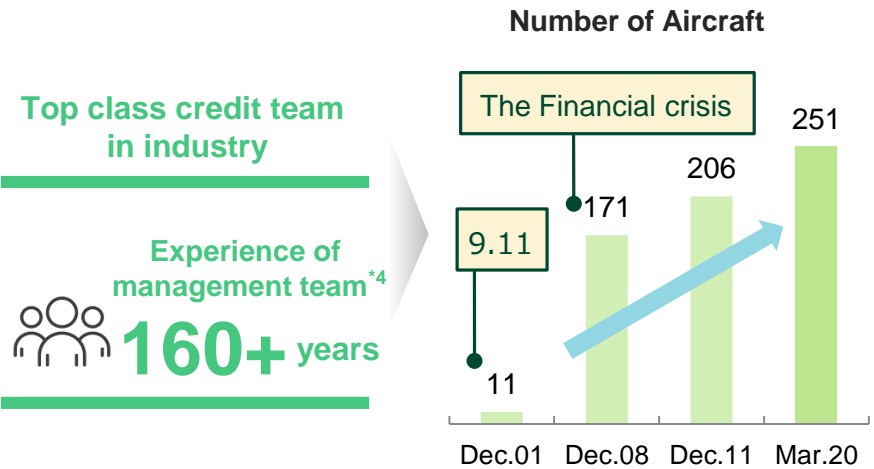
Highly liquid portfolio



Average age of aircraft^{*3}

BOC Aviation	Air Lease	SMBCAC	Avolon	ACG	Aercap	Aircastle
3.1	3.5	4.2	5.0	5.2	6.1	9.9

Steady growth overcoming recent crisis



Strong liquidity

	S&P	
A-	SMBCAC	BOC Aviation
BBB+	—	
BBB	Aercap	Air Lease
BBB-	Aircastle	Avolon
		ACG

Credit availability

USD 6 bn

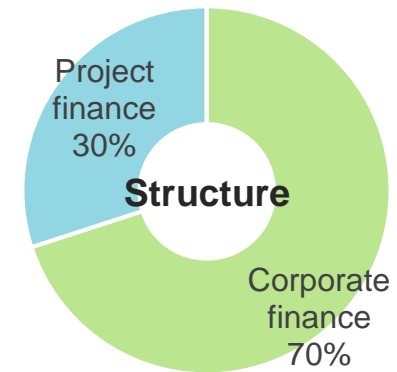
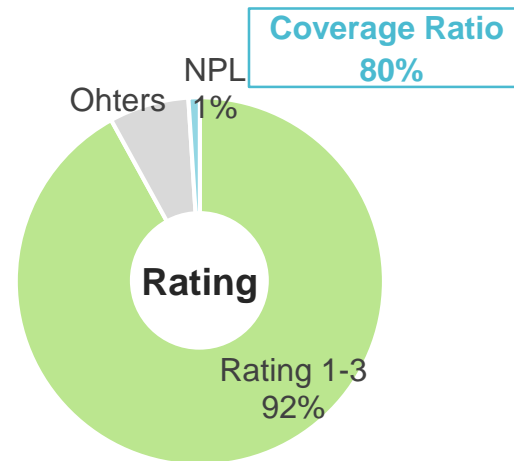
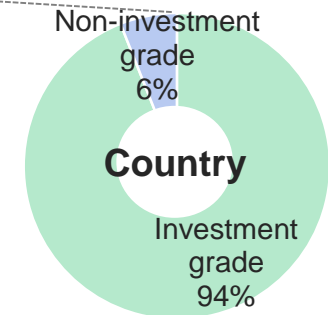
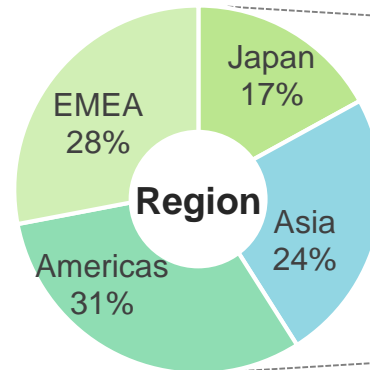
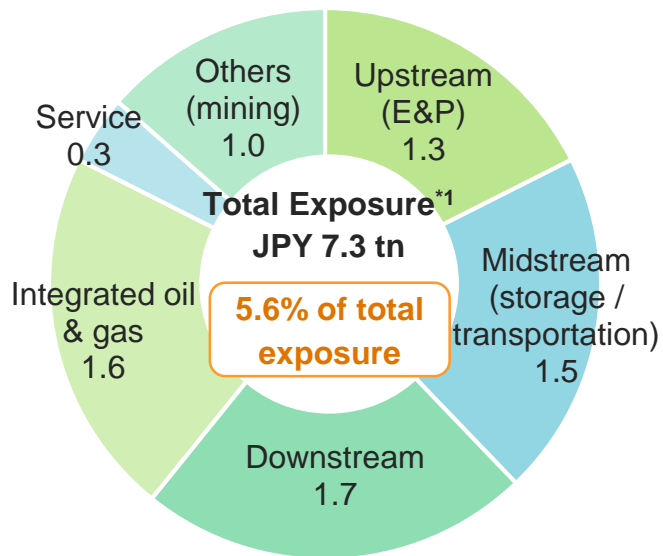
- Other than SMBC group : USD 2.5 bn
- Repayment within 1 year : USD 0.3 bn

*1 Include Pre-delivery payment *2 Appraised by Ascend, Avitas, and IBA

*3 SMBCAC as of Mar.20 and others as of Dec.19 *4 Combined experience of five management officers

Natural resources

5.6% of total exposure. Been taken cautious approach to non-Japanese upstream and service transactions.



Non-Japanese	Mar.16	Mar.20
Upstream (E&P)	24%	16%
Service	7%	4%

(ratio to non-Japanese exposure to natural resources)

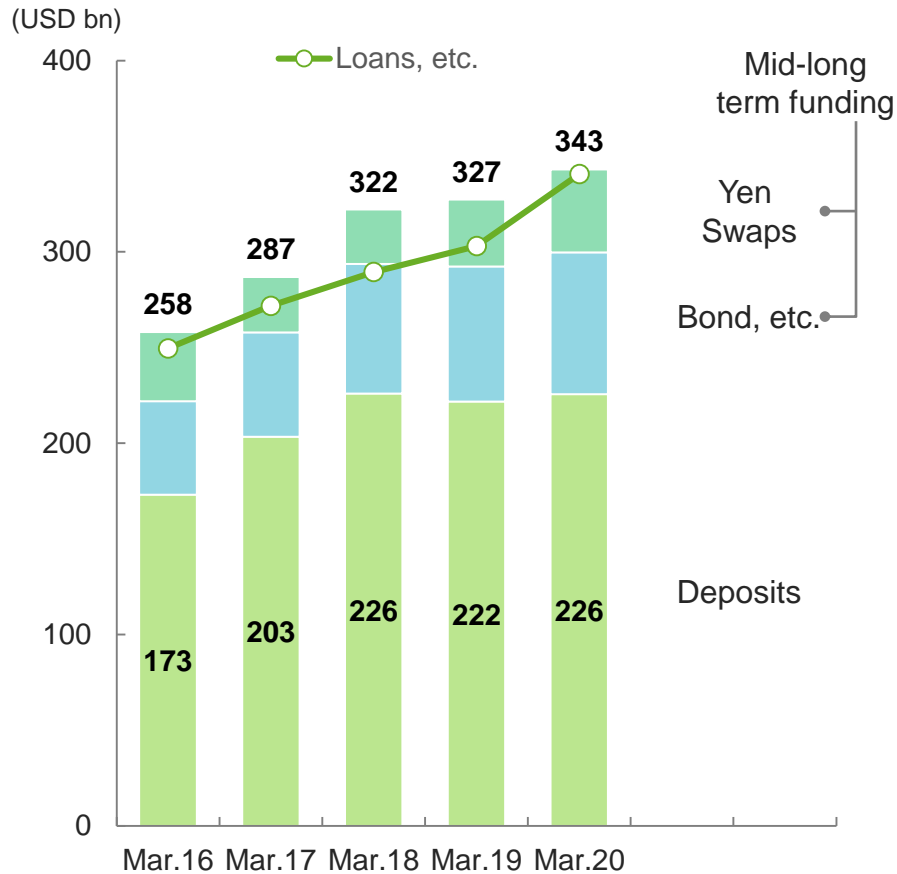
As of Mar.20

*1 Amount of net exposure, excluding exposure of which collaterals are not affected by natural resource prices

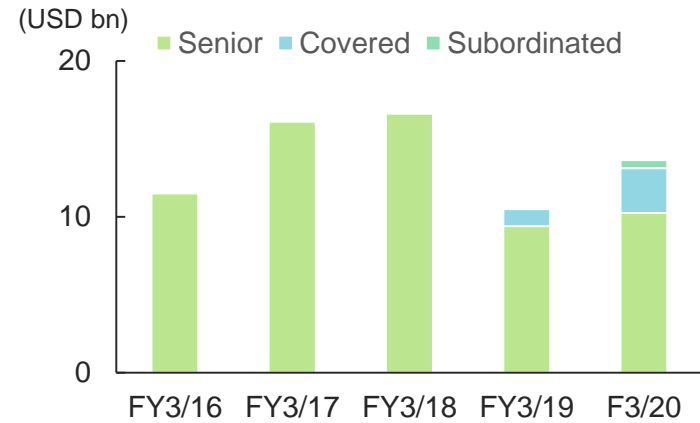
Foreign Currency Funding

Fully cover loans with customer deposit and mid-long term funding.

Build a robust funding base



Funding diversification



First in Japan
Covered Bond

- Aaa Rating
- Low funding cost under stressed market

Liquidity support from central banks

BOJ

- 3 month facility as well as 1 week
- Expected to be provided for some time

Our response to COVID-19

We are committed to supporting our customers, employees, and communities to overcome COVID-19.

Customers



- All SMBC branches are open and ATMs remain accessible in Japan
- Enhanced digital capability and servicing (online-banking transactions in April: +36% YoY)
- Supporting urgent financial needs

Consumers

- Loan programs with special interest rates (SMBC, SMCC, SMBCCF)

Corporates

- Extending credit using special funds-supplying operations by BOJ
- Loans with government covered programs
- Offering customer relief
 - Waiving fees on SME loans (“Business select loan”)
 - Flexibility in credit process and relaxing conditions
- Established investment fund to support medical ventures

Employees



- No COVID-19 related layoffs
- Continue to pay even if working hours are reduced
- 70% of employees at headquarters working from home
- Additional special paid time-off
- Prevent infection within offices and branches
- Providing medical and mental healthcare support

Communities



- JPY 1.5 bn donation to COVID-19 relief efforts including:
 - Center for iPS Cell Research and Application (JPY 0.5bn)
 - Japan Committee for UNICEF (JPY 0.1bn)
 - Association of Japanese Symphony Orchestras (JPY 0.1 bn)
- SMBC at Home
 - Donations through online-banking

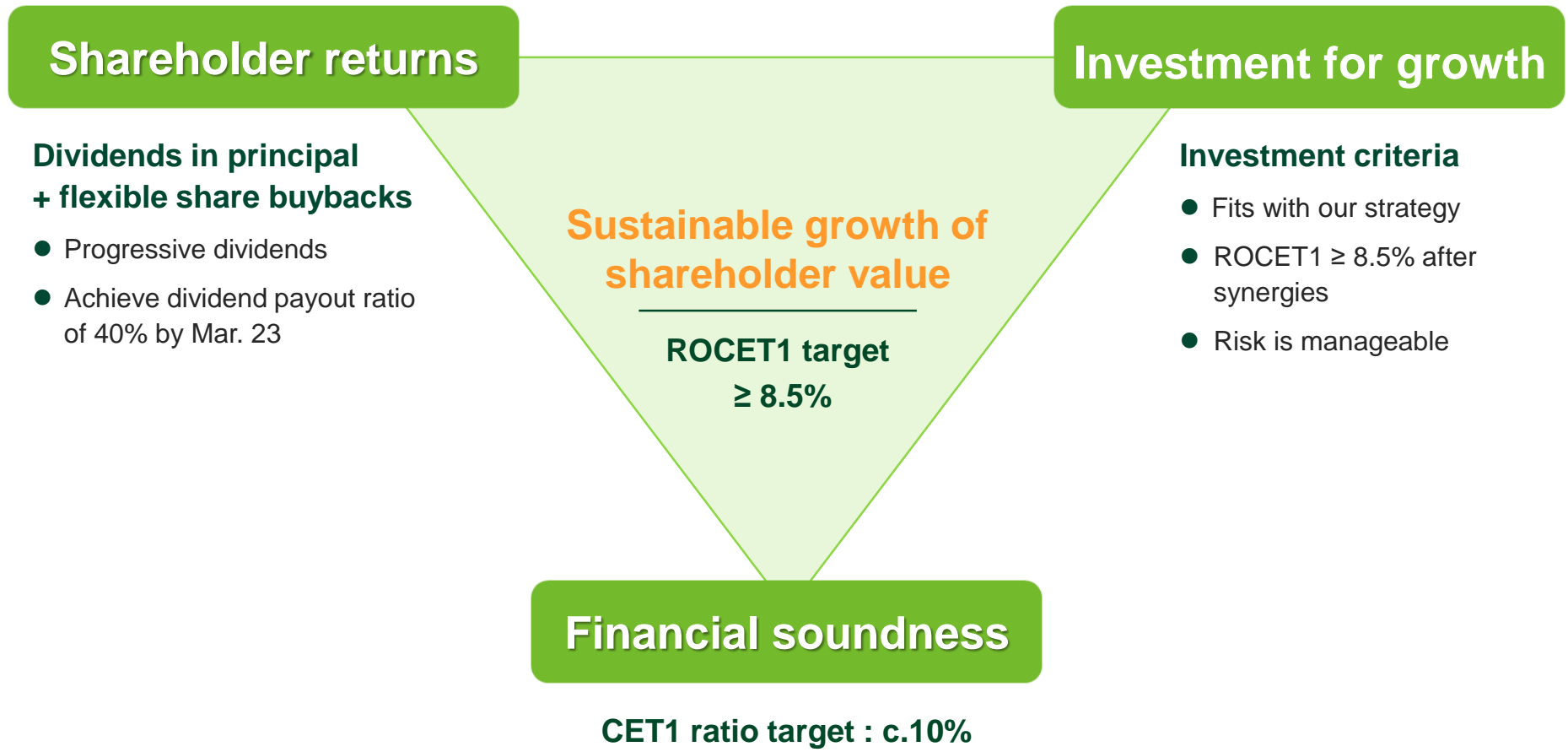




IV. Capital Policy

Basic Capital Policy

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

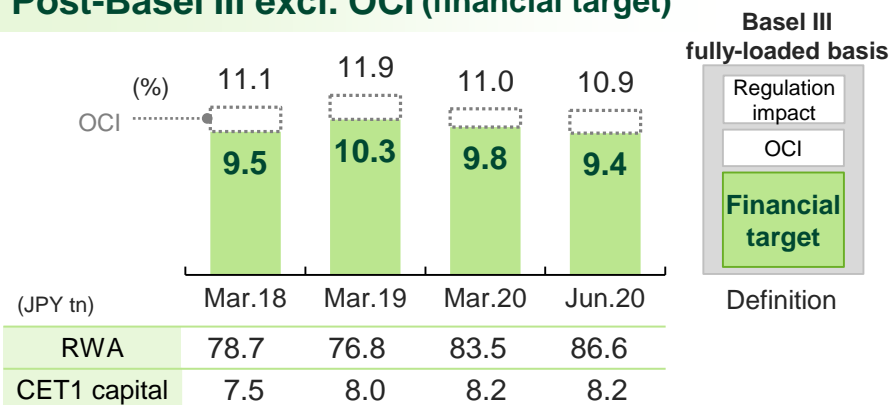


Capital position

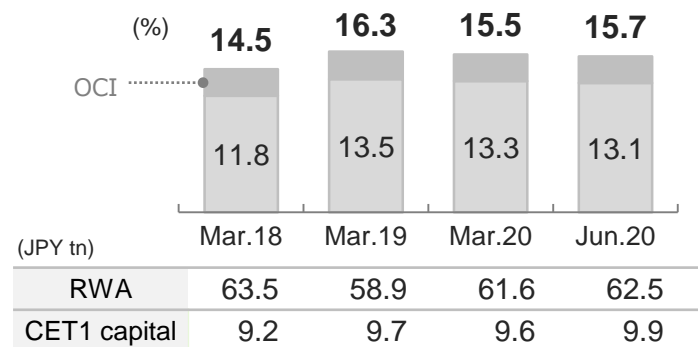
Reached CET1 ratio (Post-Basel III excl. OCI) of c.10%. CET1 ratio on Basel III fully-loaded basis was 15.7%. To prioritize supporting customers impacted by COVID-19, we will manage our CET1 ratio at c.9.5% for the time being.

CET1 ratio

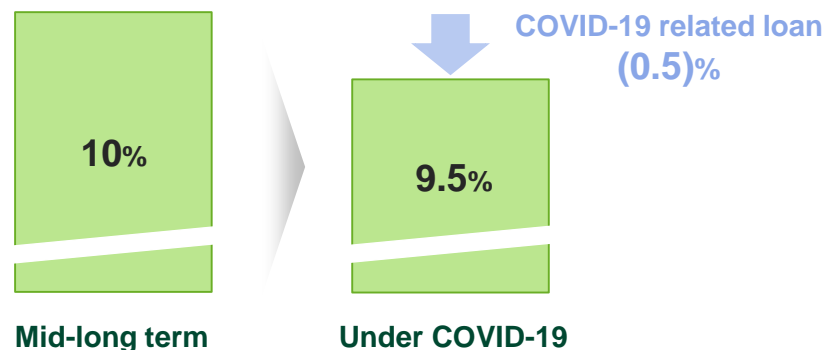
Post-Basel III excl. OCI (financial target)



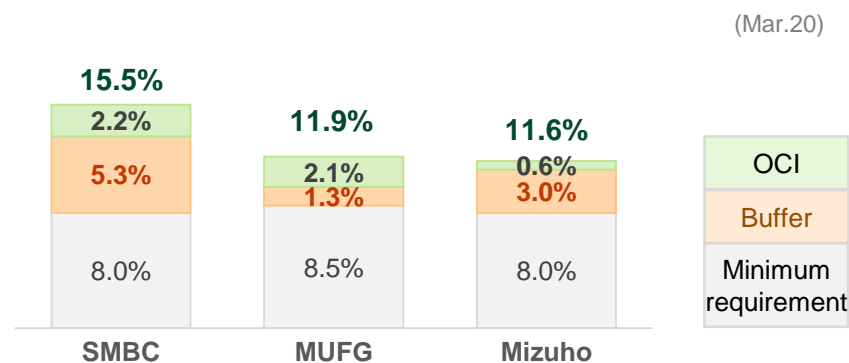
Basel III fully-loaded basis



Capital Management (post-Basel III exc. OCI)

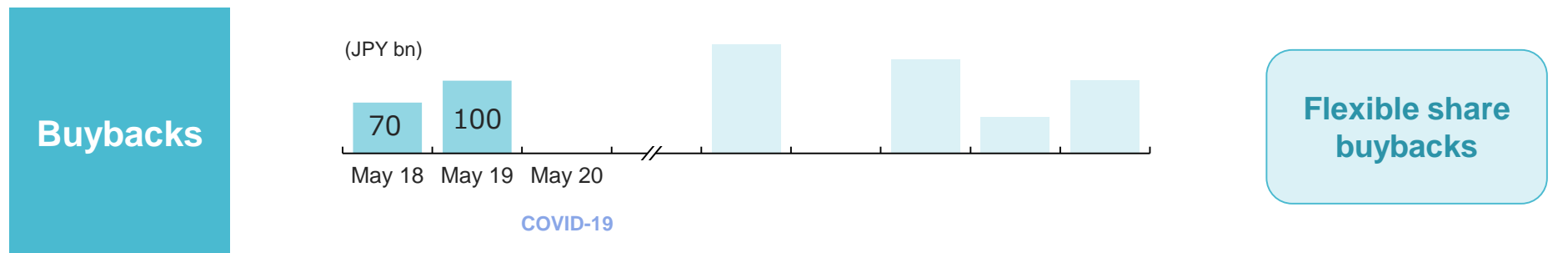
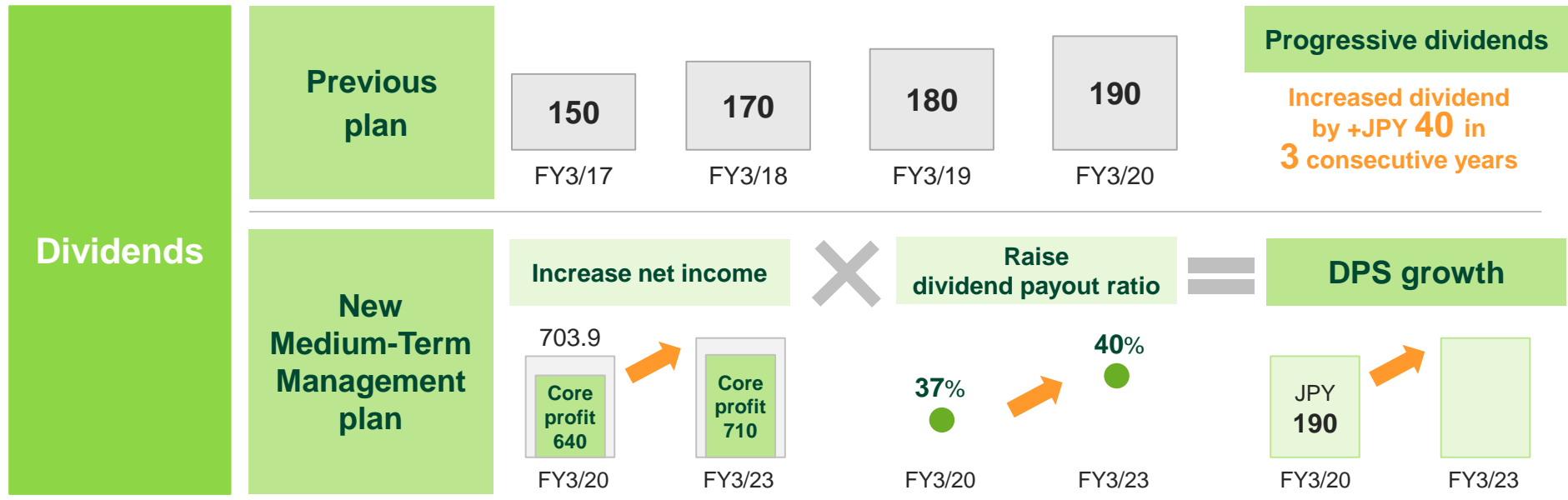


Peer comparison (Basel III fully-loaded basis)



Enhancing shareholder returns

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

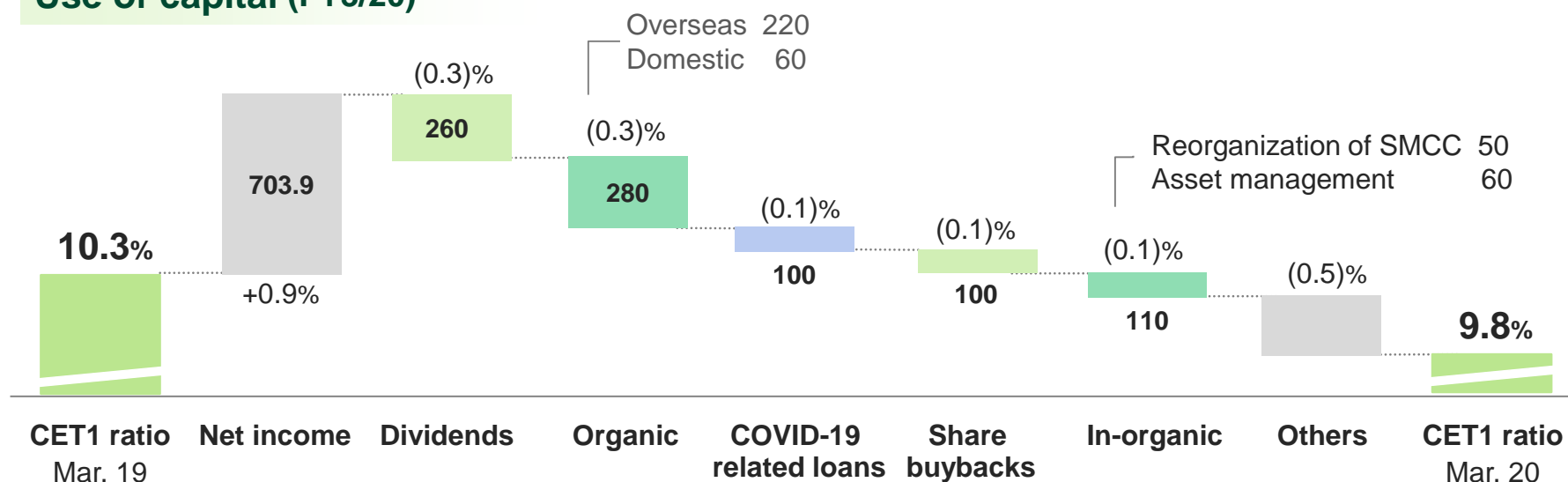


Shareholder returns

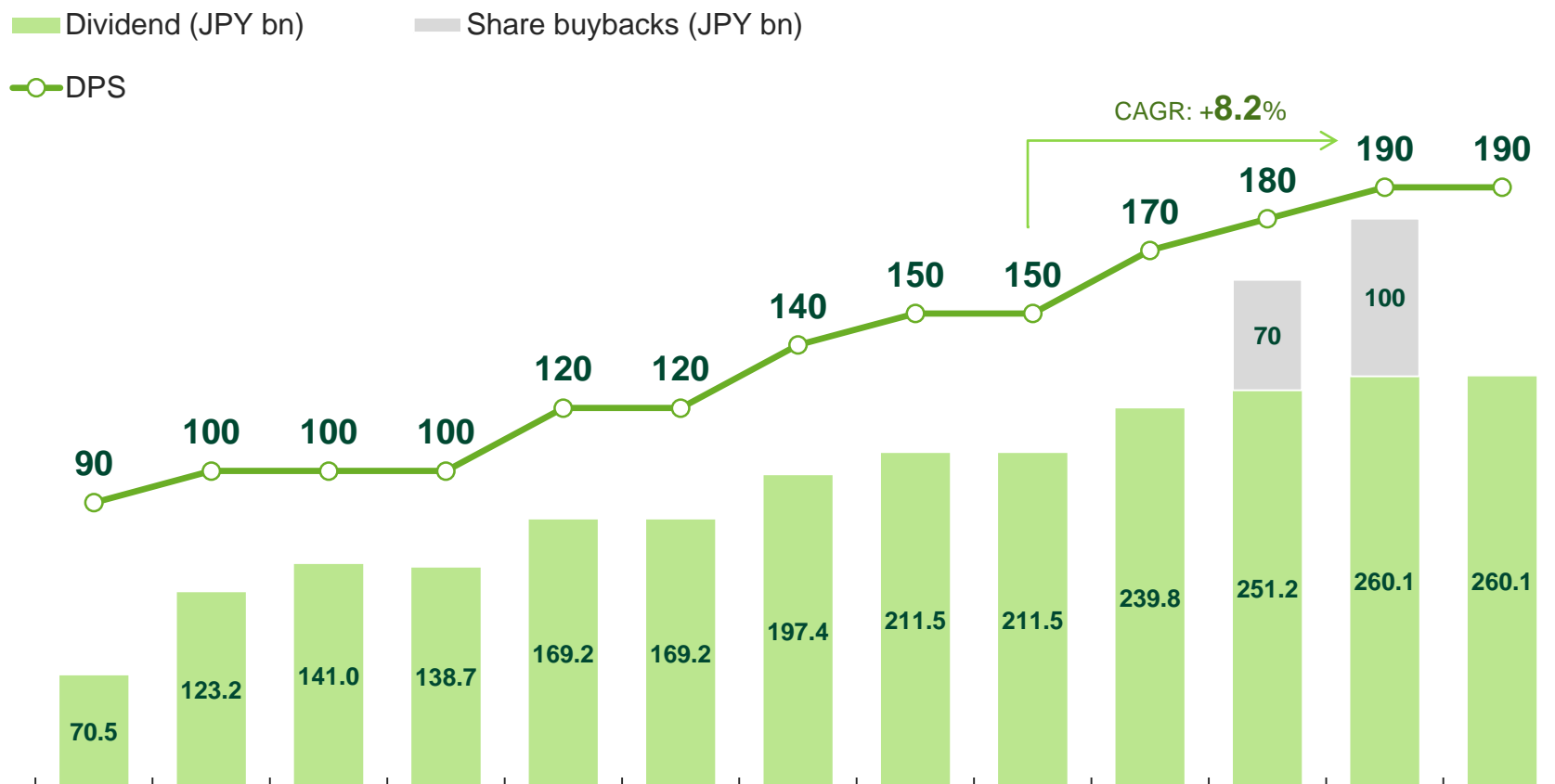
Increased dividends for FY3/20 aiming towards dividend payout ratio of 40%.
 Dividend target for FY3/21 maintained at JPY 190 despite the decrease in net income target.
 No share buybacks since it will take time to assess the impact of COVID-19.

	FY3/19	FY3/20	YoY	vs target	FY3/21 target	YoY
DPS	180	190	+10	+10	190	±0
Dividend payout ratio	35%	37%	+2%	—	65%	+28%
Share buybacks	May.18 70 bn	May.19 100 bn	+30 bn	—	—	—
Total payout ratio	44%	51%	+7%	—	—	—
Net income	726.7 bn	703.9 bn	(22.8) bn	+3.9 bn	400 bn	(303.9) bn

Use of capital (FY3/20)



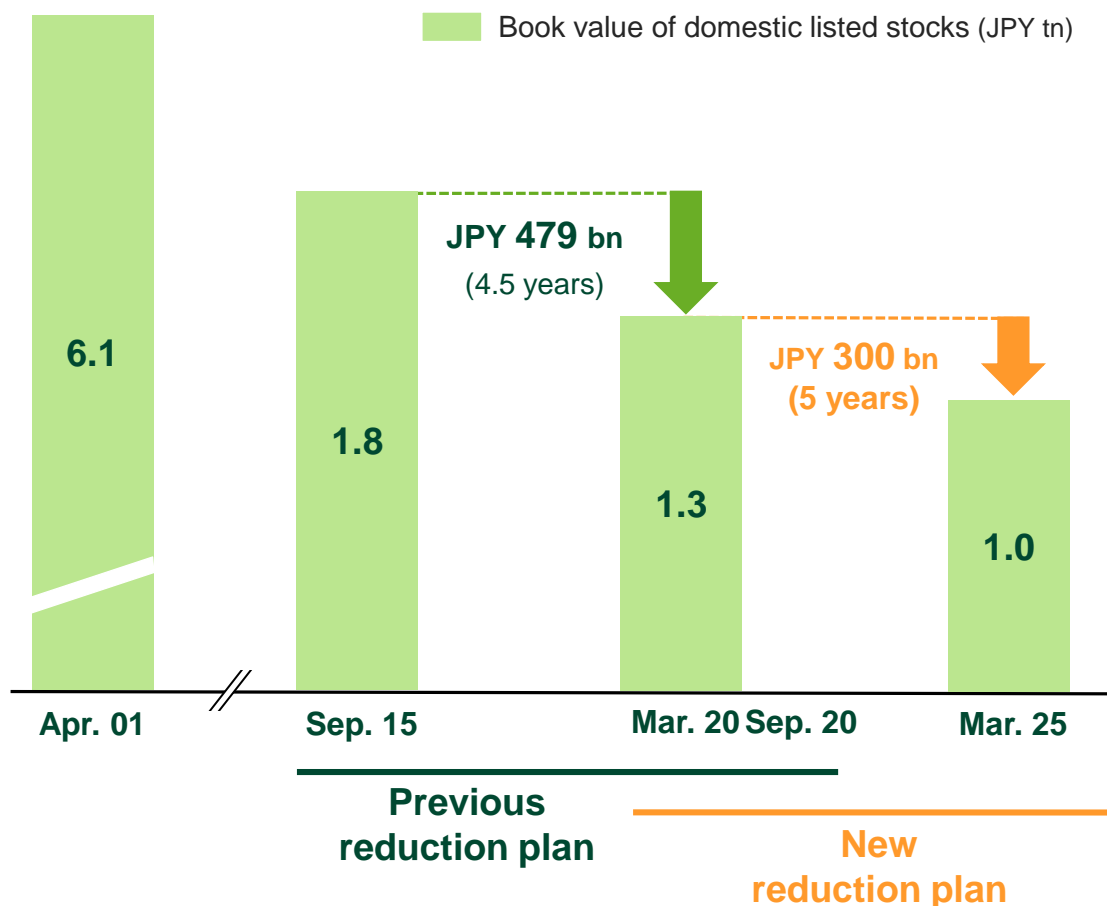
(Ref.) Shareholder returns



	FY3/09	10	11	12	13	14	15	16	17	18	19	20	21E
Dividend payout ratio (%)	-	47	30	27	21	20	26	33	30	33	35	37	65
Total payout ratio (%)	-	-	-	-	-	-	-	-	-	-	44	51	-

Strategic shareholdings

Achieved the target of the previous reduction plan. New plan to reduce JPY 300 bn in the next 5 years.



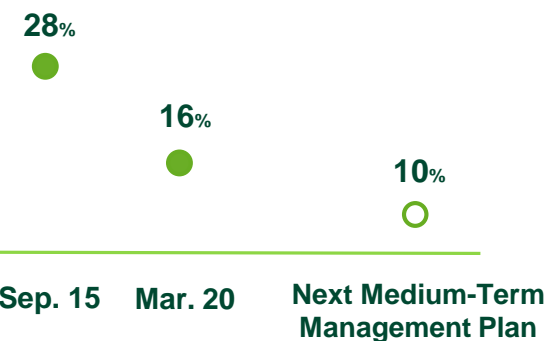
Previous plan (as of Mar.20)

Reduction	479 bn
Consent of sales	66 bn
Total	545bn

New plan (as of Jun.20)

Reduction	12 bn
Consent of sales	58 bn
Total	70 bn

Ratio of stocks to CET1^{*1}



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



Appendix

Company overview (1) Group structure

Sumitomo Mitsui Financial Group

Consolidated total assets JPY 220 tn

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

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

Leasing

(50%)

Sumitomo Mitsui Finance and Leasing

(SMBC 32%, SMFL 68%)

SMBC Aviation Capital

Securities

SMBC Nikko Securities

Consumer Finance

Sumitomo Mitsui Card

SMBC Consumer Finance

Others

(50.1%)

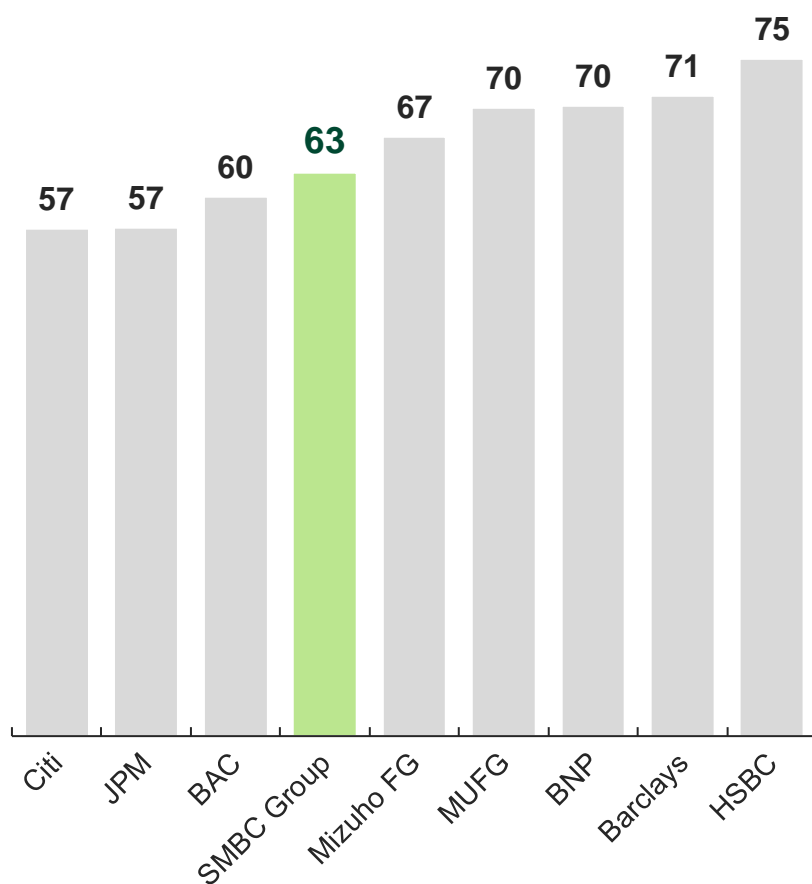
Japan Research Institute

Sumitomo MitsuiDS Asset Management

Company overview (2) Peer comparison

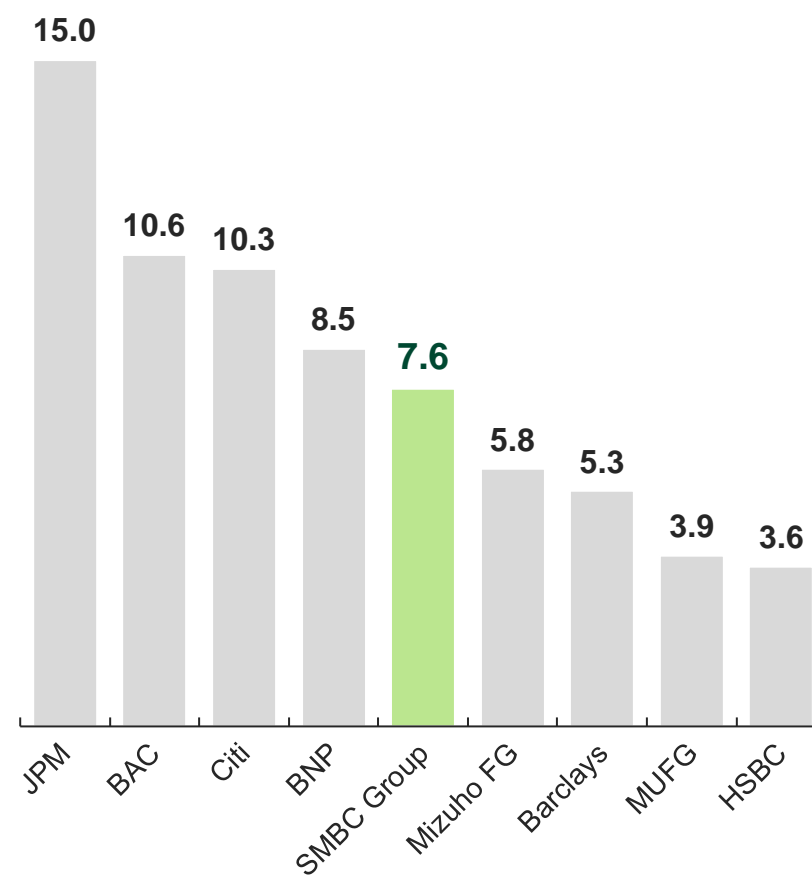
OHR*1

(%)



ROE*1

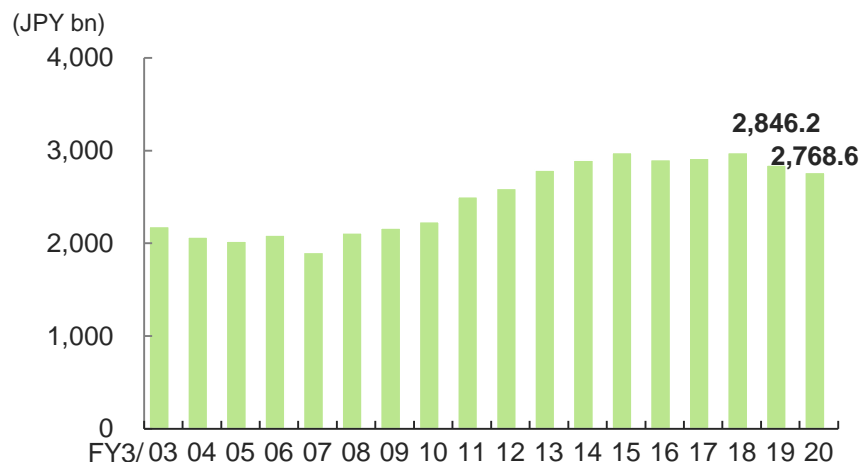
(%)



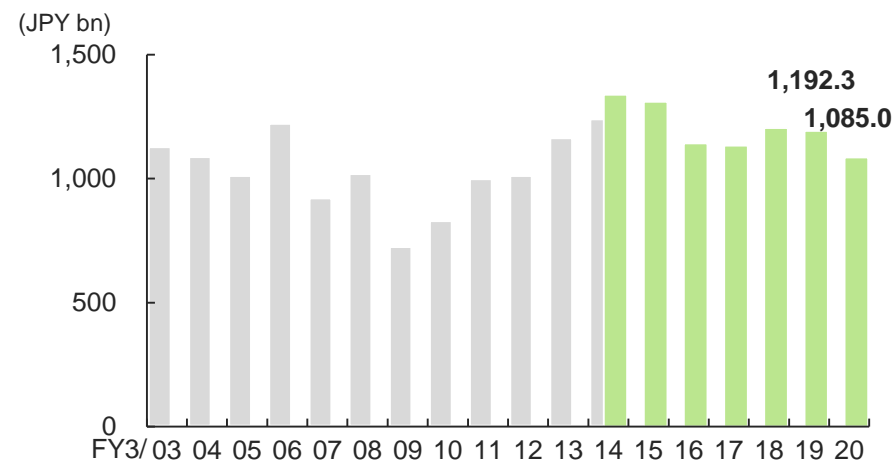
*1 Based on each company's disclosure. FY3/20 results for SMBC Group, MUFG, Mizuho and Jan-Dec.20 results for others

Company overview (3) Long-term results

Consolidated gross profit



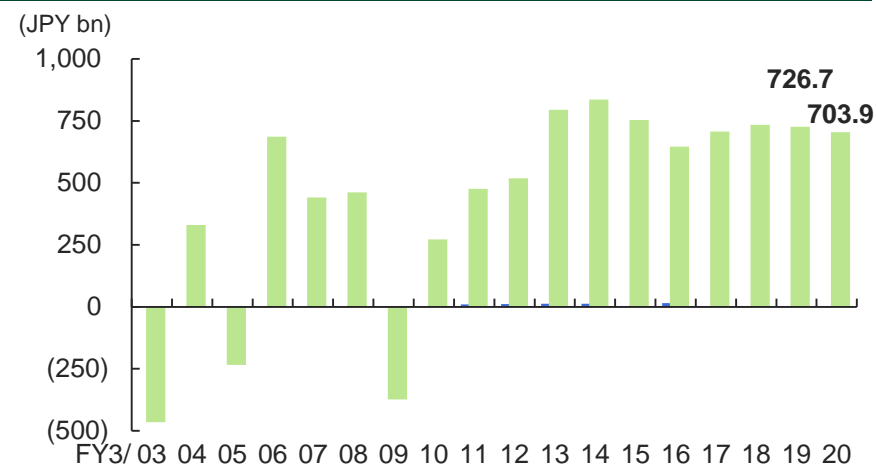
Consolidated net business profit*1



Breakdown of consolidated gross profit

	FY3/03		FY3/20
SMBC's Domestic loan / deposit related	35%	↘	15%
International business (banking)	5%	↗	22%
Group companies excluding SMBC	18%	↗	40%

Profit attributable to owners of parent



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

Results by business unit

		(JPY bn)		
		FY3/20 ^{*1}	1Q FY3/21	YoY ^{*2}
Retail	Gross profit	1,175.5	261.7	(19.0)
	Expenses	934.9	222.0	(8.3)
	<i>Overhead ratio</i>	79.5%	84.8%	+2.8%
	Net business profit	242.6	40.3	(10.6)
Wholesale	Gross profit	598.8	120.4	(10.8)
	Expenses	291.6	70.2	(1.2)
	<i>Overhead ratio</i>	48.7%	58.3%	+3.9%
	Net business profit	360.1	58.6	(11.1)
Global	Gross profit	665.9	168.0	+9.5
	Expenses	362.8	90.5	(1.2)
	<i>Overhead ratio</i>	54.5%	53.9%	(4.0)%
	Net business profit	355.7	82.5	+0.4
Global Markets	Gross profit	437.4	147.8	+10.1
	Expenses	78.8	19.8	+0.4
	<i>Overhead ratio</i>	18.0%	13.4%	(0.7)%
	Net business profit	391.1	137.6	+12.6

*1 Calculated based on the management system for FY3/21

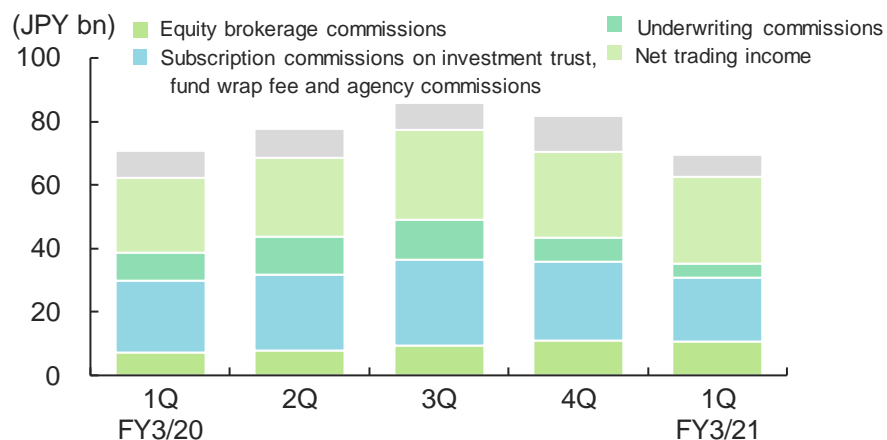
*2 After adjustments of the changes of interest rates and exchange rates

Group companies (1) SMBC Nikko

Financial results

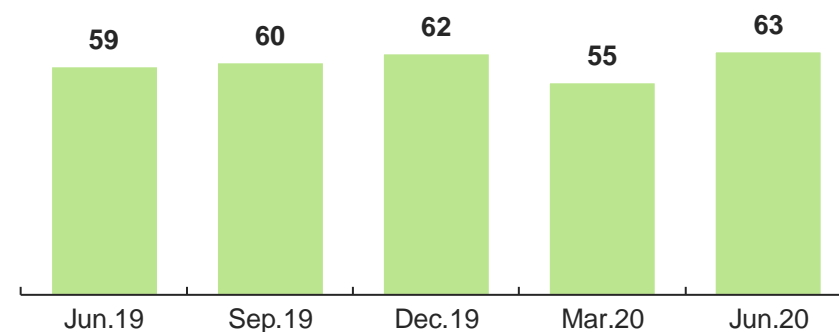
(JPY bn)	FY3/20	1Q FY3/21	YoY
Net operating revenue	316.0	69.4	(1.2)
SG&A expenses	273.0	62.4	(2.9)
Ordinary income	49.8	7.5	+1.1
Net income	39.2	6.4	+1.4

Net operating revenue

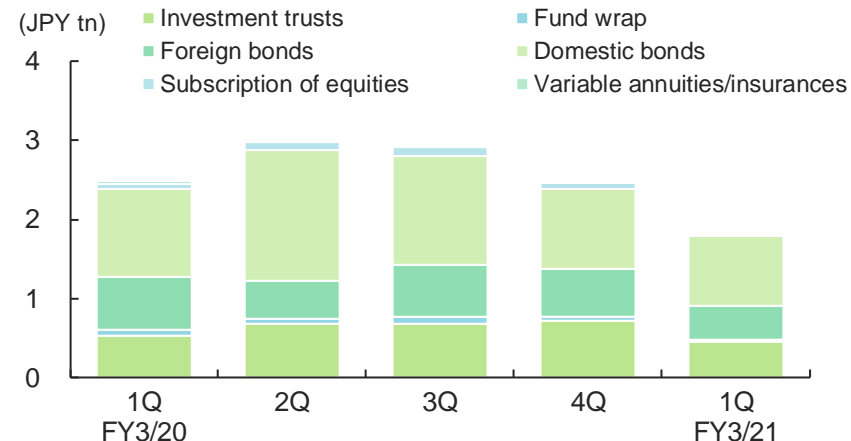


Client assets

(JPY tn)



Product sales

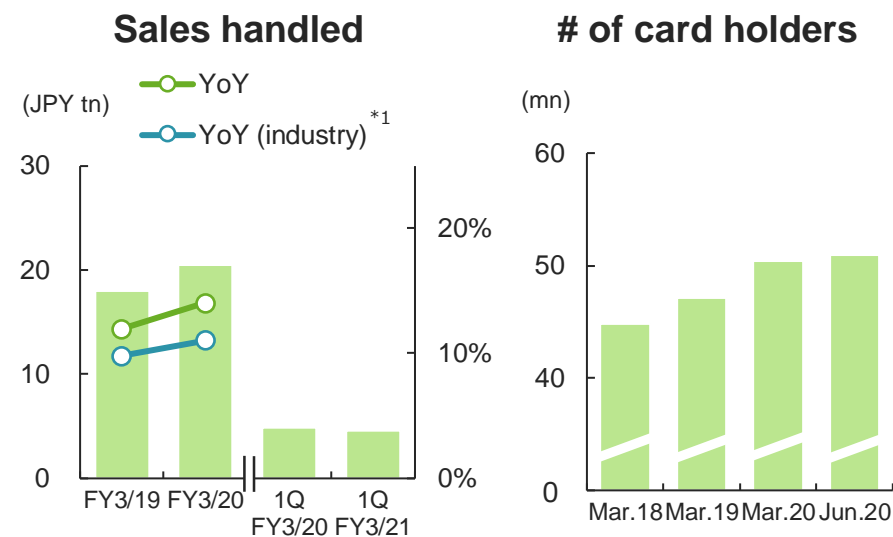


Group companies (2) SMCC

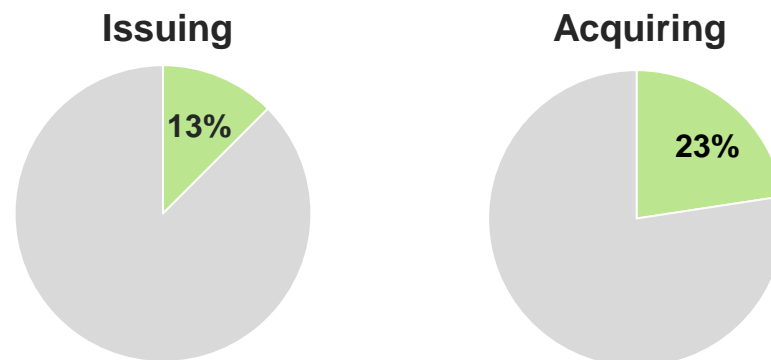
Financial results

(JPY bn)	FY3/20	1Q FY3/21	YoY
Operating revenue	480.8	104.5	(14.2)
o/w Commission fee	153.0	30.8	(6.3)
Finance	109.2	26.7	(0.5)
Sales on credit	35.8	8.2	(0.8)
Receipt agency	46.7	11.7	+0.0
Operating expense	430.3	97.1	(4.3)
o/w Expenses for loan losses	32.3	6.0	(1.5)
Expense for interest repayments	12.0	-	-
Ordinary profit (loss)	50.8	7.5	(9.9)
Net income	38.2	5.2	(7.1)
Finance outstanding	738.3	701.4	

Key figures



Market share *2



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

*2 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2019 : JPY 63 tn)

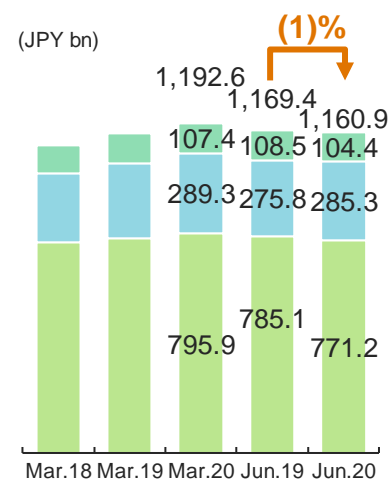
Group companies (3) SMBCCF

Financial results

(JPY bn)	FY3/20	1Q FY3/21	YoY
Operating income	288.5	69.9	(1.7)
o/w Interest revenues	184.9	46.0	+0.3
Loan guarantee revenues	68.7	15.9	(1.3)
Operating expenses	228.3	45.2	(3.6)
o/w Expenses for loan losses	68.2	18.1	(1.8)
Expense for loan guarantees	15.3	1.0	+1.0
Expenses for interest repayments	27.0	-	-
Ordinary profit	60.5	24.7	+1.9
Net income	90.1	21.1	+0.4
NPLs	78.3	85.7	
(NPL ratio)	6.57%	7.39%	
Allowance on interest repayments (provision)	106.1	100.7	
	3.2 yrs	4.7 yrs	

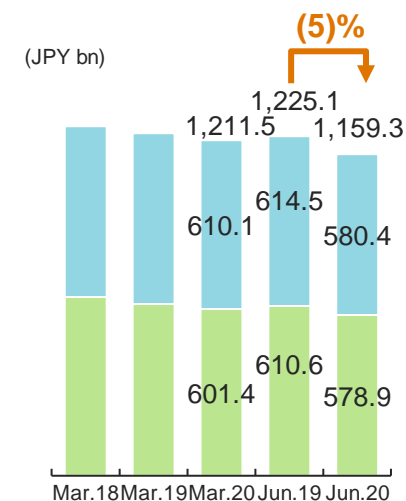
Consumer loans

■ Promise ■ Mobit ■ Promise (overseas)

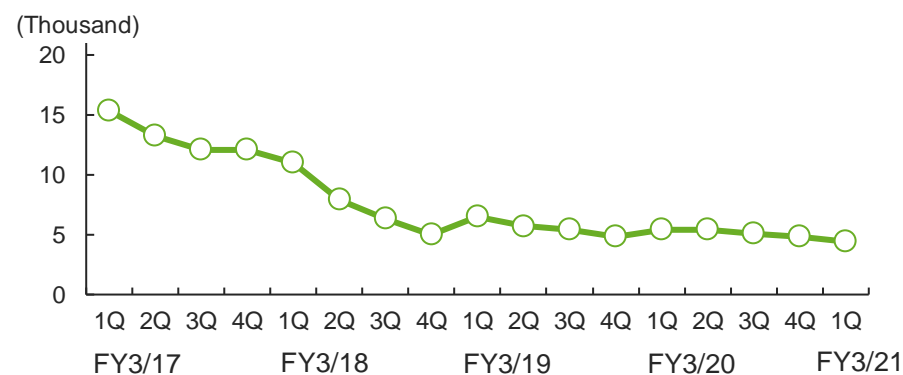


Loan guarantee

■ SMBC ■ Others



No. of interest refund claims

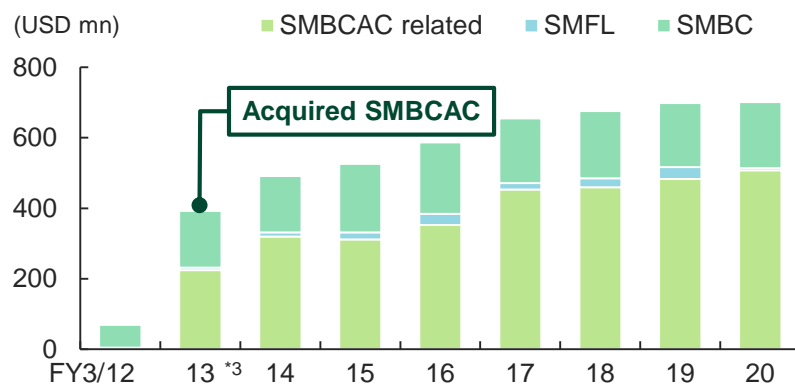


Group companies (4) SMBCAC

Financial results

(USD mn)	FY3/19	FY3/20
Total revenue	1,188	1,283
Lease revenue	1,100	1,135
Net income	316	334
Impairment loss / provisions	43	32
Aircraft asset* ¹	12,379	13,142
Net asset	3,117	3,047
ROE	11.7%	10.8%

Aircraft business of SMBC Group



of owned and managed aircraft*²

Company	Country	#
1 GECAS	USA	1,143
2 AerCap	Ireland	1,016
3 Avolon	Ireland	524
4 BBAM	USA	511
5 SMBCAC	Ireland	417

Average age of aircraft

4.2 years (as of Mar. 20)

*1 Include Aircraft pre-delivery payments *2 As of Dec.19 (Source: Ascend/Airline Business)

*3 SMBCAC related includes revenue after the acquisition in June

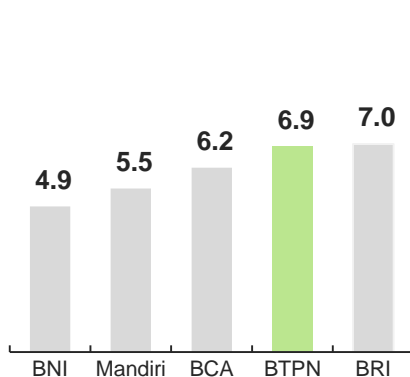
Group companies (5) BTPN

Financial results*1

(JPY bn)	2017	2018	2019
Gross banking profit	82.9	77.5	99.6
Operating expenses	57.4	44.7	56.3
Net profits	10.1	14.0	20.3
ROE	8.2%	11.6%	9.9%
Loans	542.4	517.8	1,119.9
Deposits	563.7	538.4	686.8
Total assets	788.8	770.2	1,434.9

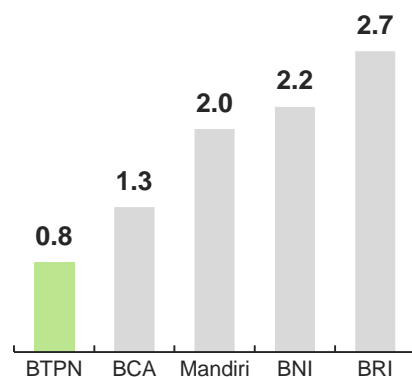
Net interest margin*2

(%)

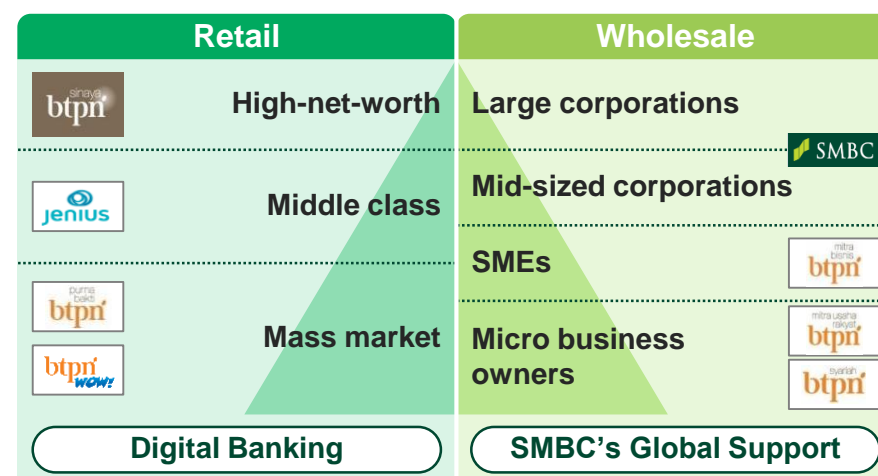


NPL ratio*2

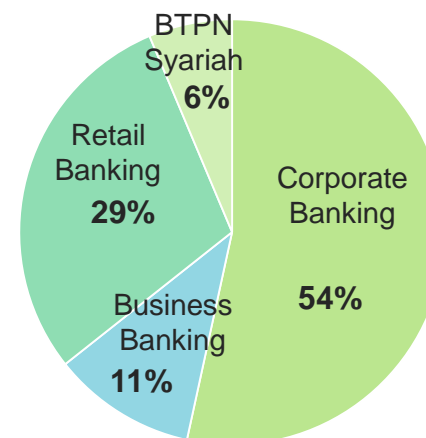
(%)



Customer



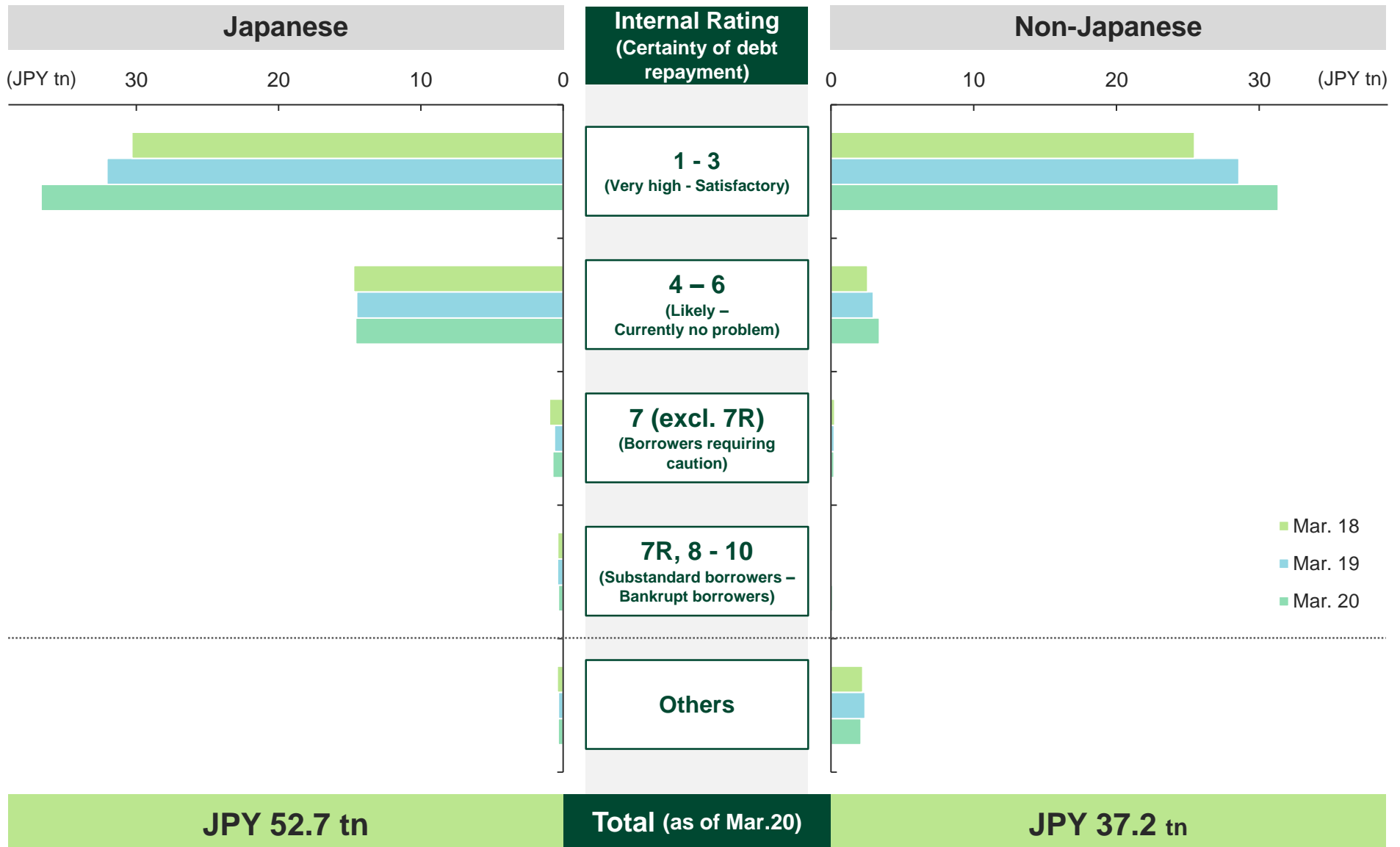
Loan breakdown*3



*1 TTM as of Dec. 17: IDR 1 = 0.0083, Dec. 18: IDR 1 = 0.0076, Dec. 19: IDR 1 = 0.0079


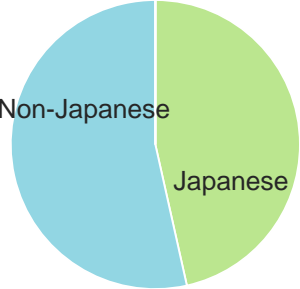

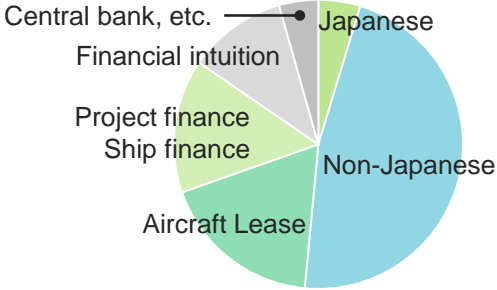
*2 Based on each company's disclosure (Dec. 19 results) *3 As of Dec. 19

Loans and exposure (1) 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

Loans and exposure (2) Breakdown by internal ratings*1

	Mar. 19	Mar. 20	Breakdown						
China (loans) 	JPY 0.9 tn	JPY 1.2 tn	 <table border="1" data-bbox="1508 394 1953 680"> <tr> <td>Japanese</td> <td>Corporate</td> </tr> <tr> <td>Non-Japanese</td> <td>Corporate Project Finance</td> </tr> <tr> <td colspan="2">Most borrowers are classified as "1-3" in our internal rating</td> </tr> </table>	Japanese	Corporate	Non-Japanese	Corporate Project Finance	Most borrowers are classified as "1-3" in our internal rating	
Japanese	Corporate								
Non-Japanese	Corporate Project Finance								
Most borrowers are classified as "1-3" in our internal rating									
Russia (exposure) 	USD 34 bn	USD 38 bn							

Loans and exposure (3) resource-related sectors

	(JPY tn)						(4) NPLs ^{*1,2}	(5) Ratio to drawn amount (4) / (3)	(6) Reserve for possible loan losses	(7) Collateral, guarantees, etc.	(8) Coverage ratio ((6)+(7) / (4))
		(1) Exposure (gross)	(2) Exposure (net)	% of rating 1-3	(3) Drawn amount	% of rating 1-3					
Japan		1.4	1.2	95%	0.7	94%	-	-	-	-	-
Asia (excluding Japan)		2.2	1.8	89%	1.8	89%	0.01	0.4%	0.00	0.00	83%
Americas		2.5	2.3	89%	1.1	87%	0.02	1.5%	0.01	0.01	84%
EMEA		2.6	2.1	91%	1.5	88%	0.04	2.8%	0.01	0.02	78%
Total		8.6	7.3	91%	5.1	89%	0.06	1.3%	0.02	0.03	80%
Oil and gas		6.3	5.3	90%	3.9	89%	0.05	1.2%	0.01	0.03	82%
● Upstream (E&P)		1.2	1.0	89%	0.7	87%	0.02	2.4%	0.00	0.01	84%
● Midstream (Storage/Transportation)		1.7	1.5	88%	0.9	86%	0.00	0.3%	0.00	-	37%
● Downstream (Refining, petrochemical)		1.3	0.9	93%	0.9	93%	-	-	-	-	-
● Integrated Oil & gas (Majors, state-owned companies, etc.)		1.8	1.6	97%	1.1	95%	0.00	0.4%	-	0.00	100%
● Service (Drilling, field services)		0.3	0.3	57%	0.2	49%	0.02	11.6%	0.01	0.01	81%
● Other resources (Mining)		0.9	0.8	85%	0.5	86%	0.02	3.4%	0.01	0.00	77%
Non-Japanese		7.3	6.1	90%	4.4	88%	0.06	1.5%	0.02	0.03	80%
Oil and Gas		1.2	1.1	95%	0.6	95%	-	-	-	-	-
● Other resources (Mining)		0.0	0.0	100%	0.0	100%	-	-	-	-	-
Japanese		1.3	1.2	96%	0.7	96%	-	-	-	-	-

- Oil & gas : Corporate finance 75%, Project finance 25%
- Other resources : Corporate finance 90%, Project finance 10%

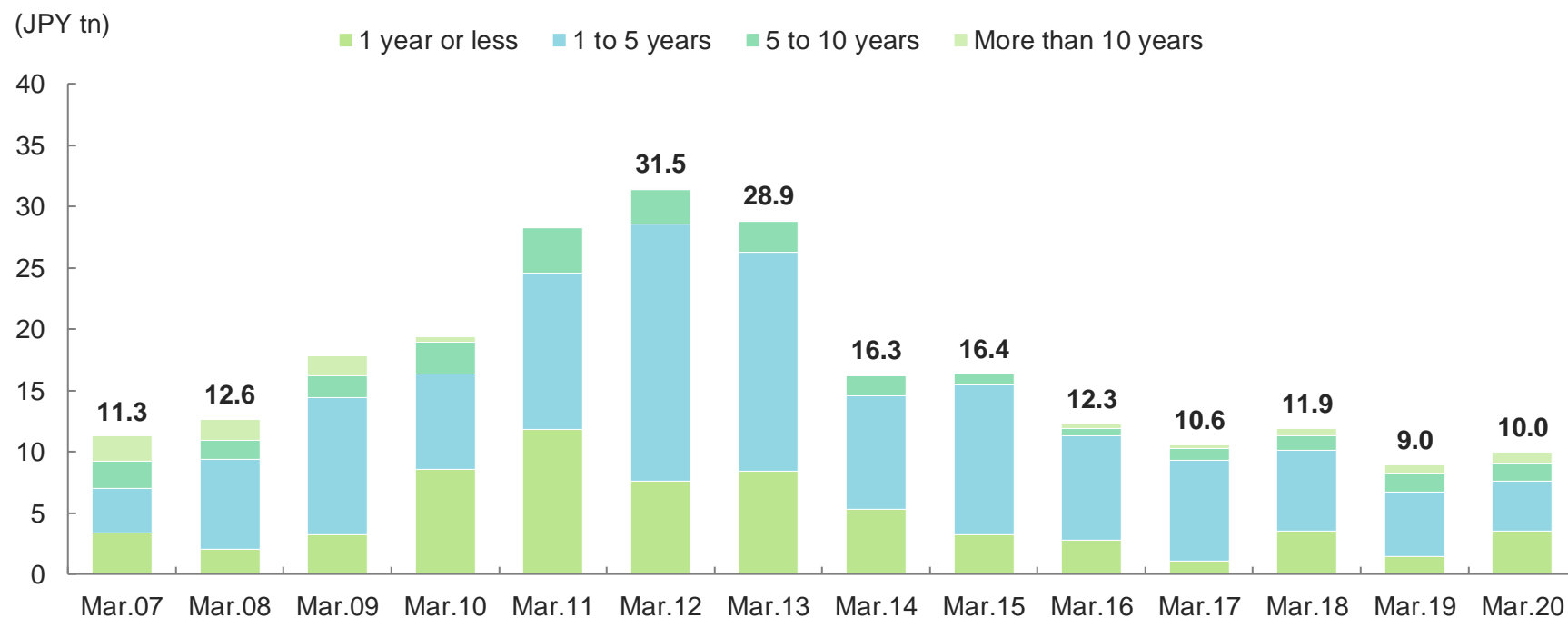
- Exposure to resource-related sectors excluding project finance which are unaffected by resource prices is JPY 6.2 tn as of Mar. 20

*1 NPLs based on the Financial Reconstruction Act, excluding Normal assets

*2 Claims on borrowers requiring caution are Asia: USD 1 bn, Americas: USD 0.4 bn, EMEA: USD 0.5 bn, mainly in Oil & gas

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

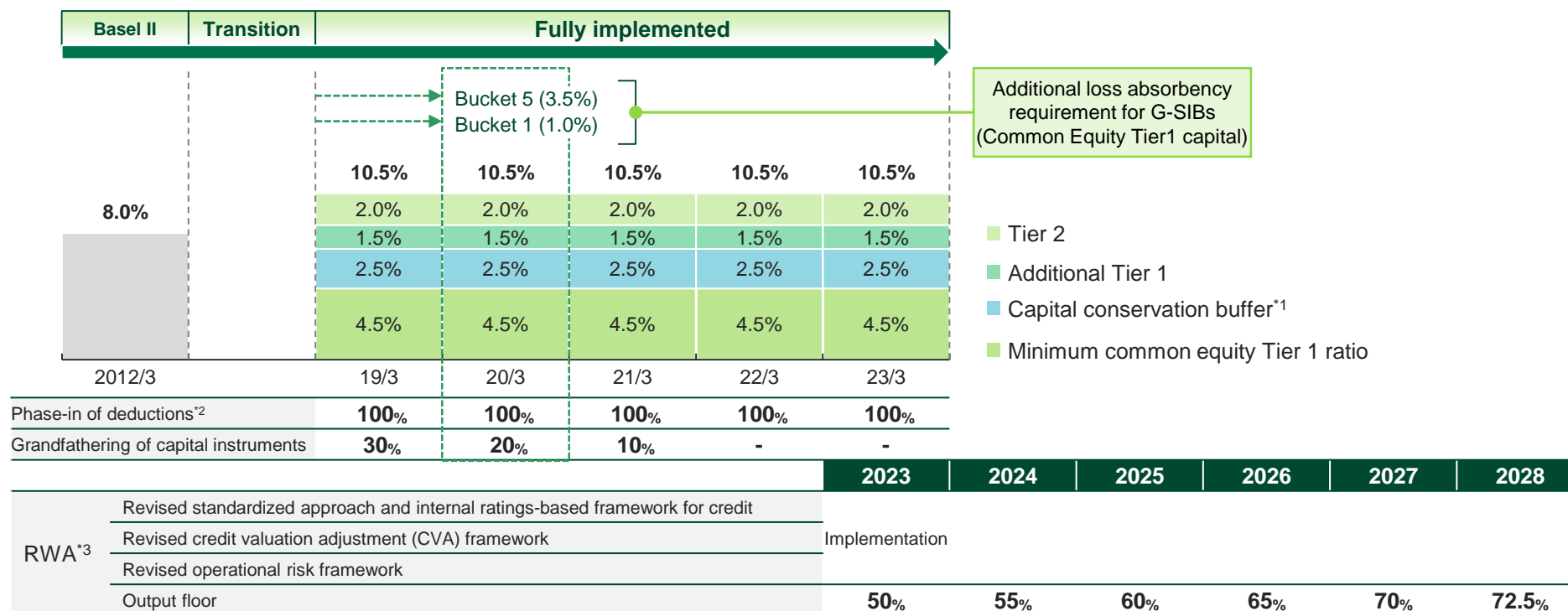
Average duration (years) ^{*1}	1.7	2.4	1.8	1.1	1.4	1.9	1.8	1.1	1.8	2.8	2.9	2.3	3.2	2.9
Unrealized gains (losses) (JPY bn) ^{*2}	(151.4)	(129.5)	(1.2)	116.1	71.9	104.4	95.3	60.0	45.9	103.8	57.5	44.2	60.5	21.4

*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. Duration at Mar. 02 is for JGB portfolio only

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

Application of Basel III

Capital requirements



Additional loss absorbency requirement for G-SIBs (Common Equity Tier1 capital)

- Tier 2
- Additional Tier 1
- Capital conservation buffer^{*1}
- Minimum common equity Tier 1 ratio

Leverage ratio and liquidity rules

	2019	2020	2021	2022	2023
Leverage ratio	Implementation				
Revised Leverage ratio ^{*3, 4}	Implementation				
LCR	100%				
NSFR ^{*5}					

*1 Countercyclical buffer (CCyB) omitted

*2 Intangible fixed assets, deferred tax assets and investment of unconsolidated financial institutions, etc.

*3 GHOS, the higher committee of the Basel announced that it will postpone the implementation of unimplemented Basel III standards in Mar. 20 (2022 to 2023) *4 Revised exposure definition and G-SIB buffer

*5 Not implemented in Japan, taking into account the status of other countries.

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

(As of Aug. 31, 2020)

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 New York Mellon JPMorgan Chase Bank Royal Bank of Canada State Street Bank & Trust 	AA
Aa3	<ul style="list-style-type: none"> BNP Paribas Citibank Crédit Agricole HSBC Bank ING Bank State Street Bank & Trust Toronto Dominion 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"> Bank of America HSBC Bank ING Bank Toronto Dominion UBS Wells Fargo Bank 	AA-
A1	<p>SMBC</p> <ul style="list-style-type: none"> Agricultural Bank of China Bank of China Barclays Bank BPCE China Construction Bank Credit Suisse Goldman Sachs Bank ICBC Mizuho Bank Morgan Stanley Bank MUFG Bank Société Générale Standard Chartered 	<ul style="list-style-type: none"> Bank of America BNP Paribas BPCE Citibank Crédit Agricole Credit Suisse Goldman Sachs Bank HSBC Bank ING Bank JPMorgan Chase Bank Morgan Stanley Bank 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 Royal Bank of Canada 	<p>SMBC</p> <ul style="list-style-type: none"> Agricultural Bank of China Banco Santander Bank of China Barclays Bank China Construction Bank ICBC Mizuho Bank MUFG Bank Société Générale Standard Chartered 	<p>SMBC</p> <ul style="list-style-type: none"> 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 Général 	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"> Deutsche Bank 	BBB
Baa3			<ul style="list-style-type: none"> UniCredit 	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

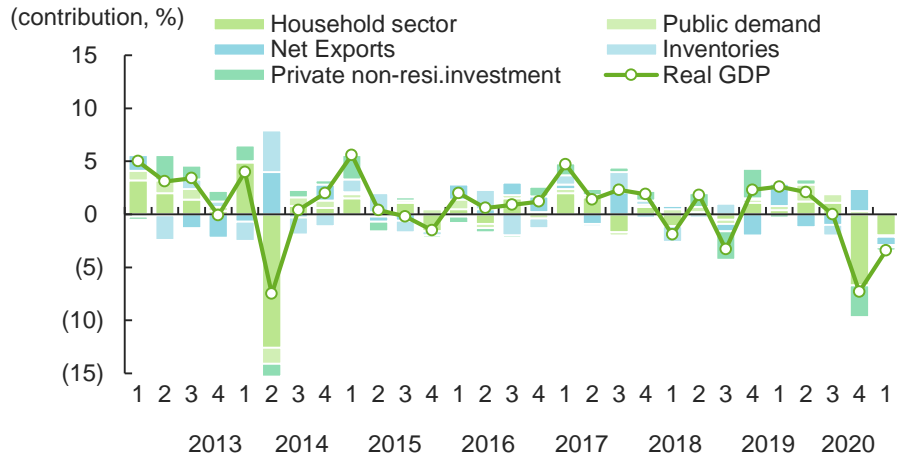
(As of Aug. 31, 2020)

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 New York Mellon JPMorgan State Street 	AA-
A1	<ul style="list-style-type: none"> SMFG Bank of New York Mellon <ul style="list-style-type: none"> Mizuho MUFG State Street 		<ul style="list-style-type: none"> Bank of America Groupe BPCE HSBC ING UBS Wells Fargo 	A+
A2	<ul style="list-style-type: none"> Bank of America HSBC JPMorgan <ul style="list-style-type: none"> Standard Chartered Wells Fargo 	<ul style="list-style-type: none"> Bank of New York Mellon State Street 	<ul style="list-style-type: none"> SMFG Barclays Citigroup Goldman Sachs Morgan Stanley Standard Chartered 	A
A3	<ul style="list-style-type: none"> Citigroup Goldman Sachs <ul style="list-style-type: none"> Morgan Stanley UBS 	<ul style="list-style-type: none"> SMFG 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 	<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 Credit Suisse 	<ul style="list-style-type: none"> Barclays 		BBB
Baa3				BBB-
Ba1				BB+
Ba2				BB

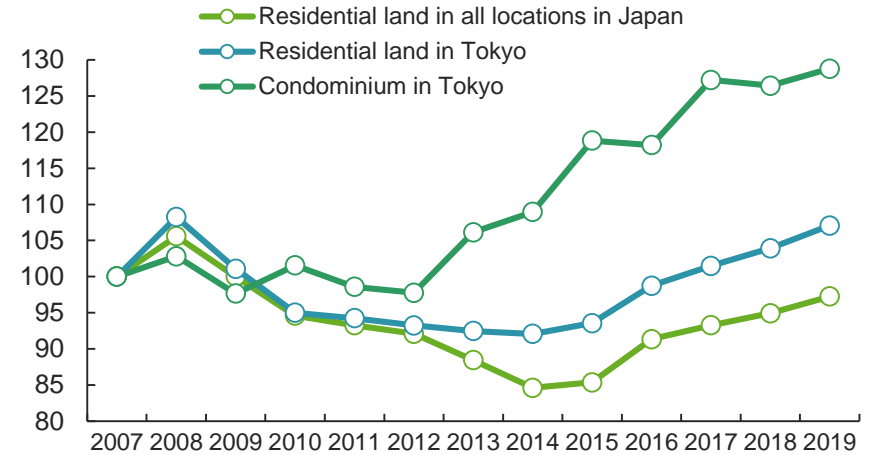
*1 Long-term issuer ratings (if not available, Senior unsecured ratings) for Moody's, long-term issuer local currency ratings for S&P, long-term issuer default ratings for Fitch

Japanese economy

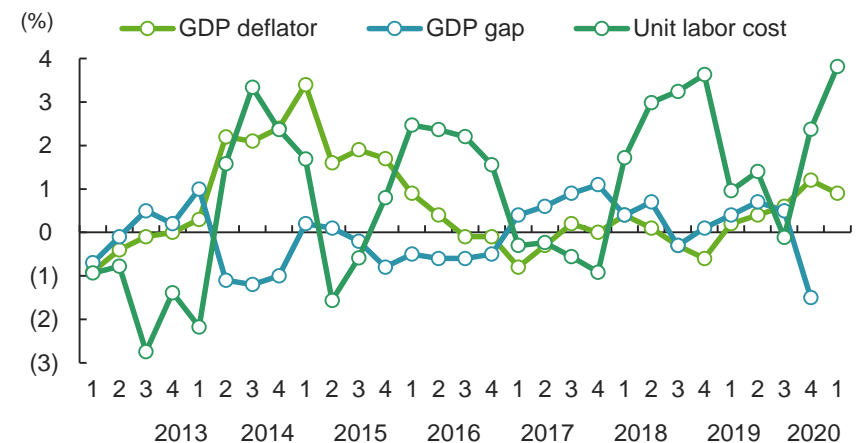
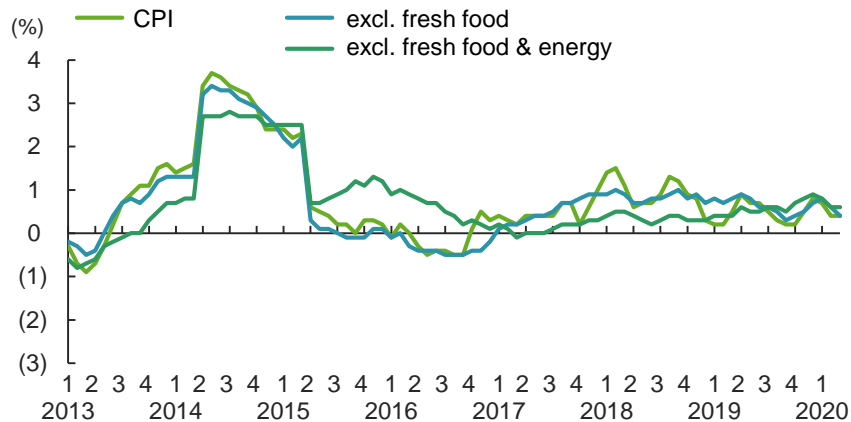
Real GDP growth rate (annualized QOQ change)*1



Residential land and condominiums*2



Indicators to measure progress out of deflation*3



*1 Cabinet Office. Seasonally adjusted series. Household sector = Private consumption + Private residential investment, Inventories = Change in private and public inventory, Public demand = Government consumption + Public investment

*2 Ministry of Land, Infrastructure, Transport and Tourism. Real Estate Economic Institute Co., Ltd.

*3 Statistics Bureau, Cabinet Office and Ministry of Internal Affairs and Communications

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. 19	Mar. 20
USD	JPY 111.00	JPY 108.81
EUR	JPY 124.55	JPY 119.52

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
SMBC AC	SMBC Aviation Capital
Major local subsidiaries	SMBC Europe, 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	Domestic retail business
Wholesale Business Unit	Domestic wholesale business
Global Business Unit	International business
Global Markets Business Unit	Market / Treasury related businesses
OCI	Net unrealized gains on other securities