

Investor Meeting

1H FY3/2023

November 16, 2022



SUMITOMO MITSUI
FINANCIAL GROUP

This document contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of us and our managements with respect to our future financial condition and results of operations. In many cases but not all, these statements contain words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “risk,” “project,” “should,” “seek,” “target,” “will” and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include: deterioration of Japanese and global economic conditions and financial markets; declines in the value of our securities portfolio; incurrence of significant credit-related costs; our ability to successfully implement our business strategy through our subsidiaries, affiliates and alliance partners; and exposure to new risks as we expand the scope of our business. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements.

Please refer to our most recent disclosure documents such as our annual report on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as our earnings press releases, for a more detailed description of the risks and uncertainties that may affect our financial conditions and our operating results, and investors’ decisions.

Exchange rates (TTM)

	Sep.21	Mar.22	Sep.22
USD	JPY 111.95	JPY 122.41	JPY 144.81
EUR	JPY 129.90	JPY 136.81	JPY 142.32

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

Introduction

- Submitted a report to the Financial Services Agency of Japan and disclosed countermeasures on November 4th regarding cases of market manipulation and inappropriate sharing of non-public information.
- Allocated additional personnel and upgraded IT system for internal management to prevent recurrence and restore trust.
(Expense: JPY 10 bn IT investment: JPY 2 bn)
- Impact on consolidated gross profit was limited.
(1H FY3/23 : JPY (25) bn)

Agenda

I	Financial Results	5
II	Progress of Medium-Term Management Plan	23
III	Capital policy	36
IV	Challenges for the future	42
	Appendix	45



I. Financial Results

Income statement

Progress rate of 1H: Consolidated net business profit 58%, Profit attributable to owners of parent 72%
Revised upward full-year target to JPY 1,265 bn and JPY 770 bn respectively.

	(JPY bn)	1H FY3/23	YoY	FY3/23 target
1 Consolidated gross profit		1,632.4	+201.1	
2 G&A expenses		962.6	+86.6	
Overhead ratio		59.0%	(2.2)%	
3 Equity in gains (losses) of affiliates	Progress	52.1	+21.4	New 1,265
4 Consolidated net business profit	58%	721.9	+135.8	1,235
5 Total credit cost		83.1	+56.5	210
6 Gains (losses) on stocks		92.1	+10.9	
7 Other income (expenses)		(4.8)	+5.8	New 1,120
8 Ordinary profit		726.1	+96.0	1,060
9 Extraordinary gains (losses)		(1.4)	+1.9	
10 Income taxes		193.7	+26.3	New 770
11 Profit attributable to owners of parent	72%	525.4	+69.4	730
12 ROE		10.3%	+0.9%	

Consolidated gross profit: increased YoY due to
1) loan growth and related transactions in WS and GB, and
2) strong performance of payment business.
Impact of FX: +122

G&A expenses: increased YoY mainly due to consolidation of Fullerton India, as well as higher variable marketing cost of SMCC, which is successfully increasing new customers
Impact of FX: +60

Equity in gains of affiliates: increased YoY mainly due to gains on change in equity of Bank of East Asia.

Total credit cost: was managed to be lower than forecast, because the increase of newly built reserve was offset by reversals

Gains on stocks: increased due to gains on sales of strategic shareholdings (68, YoY +32), while ETF sales decreased.

Consolidated impact of Fullerton India (JPY bn)

Consolidated gross profit	+27	Total credit cost	+5
G&A expenses (incl. goodwill amortization)	+22	Profit attributable to owners of parent	(3)
Consolidated net business profit	+5		

(Ref.) Group companies

SMBC

	(JPY bn)	1H FY3/23	YoY
1 Gross banking profit		928.2	+181.7
2 o/w Net interest income		611.5	+122.9
3 o/w Gains (losses) on cancellation of investment trusts		31.3	+0.2
4 Domestic		353.3	+54.6
5 Overseas		258.2	+68.3
6 o/w Net fees and commissions		222.2	+55.2
7 Domestic		94.6	+8.7
8 Overseas		127.5	+46.5
9 o/w Net trading income+ Net other operating income		93.6	+3.5
10 o/w Gains (losses) on bonds		(63.4)	(91.1)
11 Expenses		443.8	+25.5
12 Banking profit		484.5	+156.2
13 Total credit cost		63.5	+88.5
14 Gains (losses) on stocks		84.2	+26.6
15 Extraordinary gains (losses)		36.3	+31.3
16 Net income		399.8	+113.5

*1 YoY includes the impact of group reorganization

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

*3 Managerial accounting basis

Other major group companies

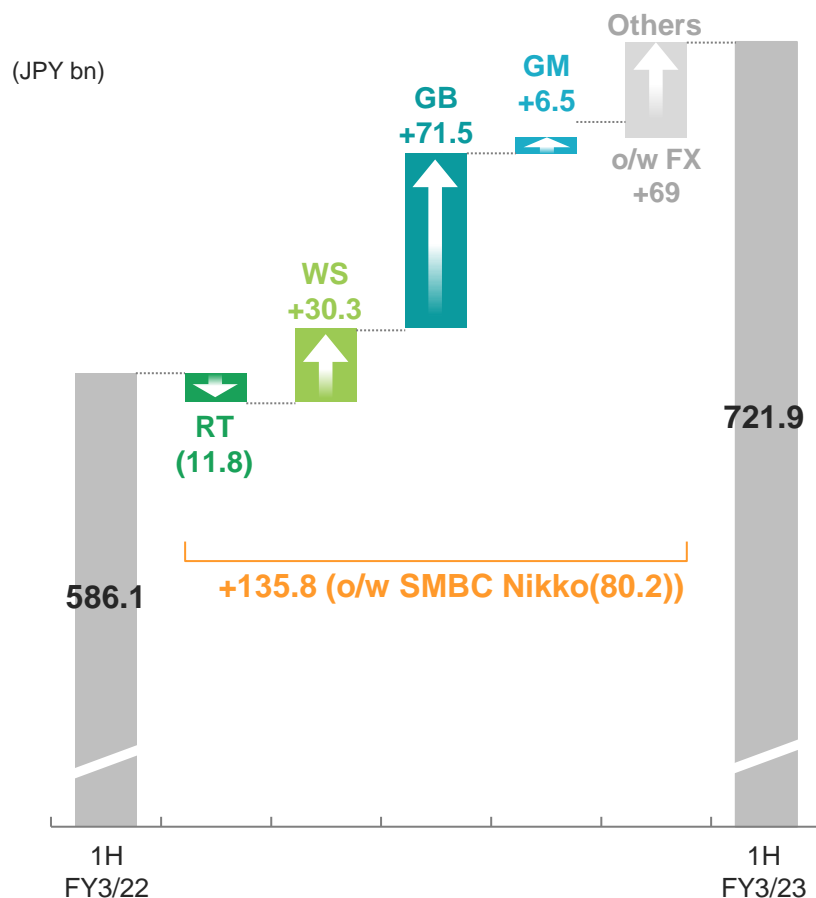
(left : results of 1H FY3/23 / right : YoY)						
(JPY bn)	SMCC		SMBCCF ^{*1}		SMBC Nikko ^{*2}	
Gross profit	214.2	+16.5	137.7	+2.0	123.5	(86.1)
Expenses	179.3	+15.1	61.3	+0.6	158.8	(5.9)
Net business profit	35.1	+1.8	72.7	(2.4)	(35.3)	(80.3)
Net income	14.8	+0.0	31.9	(5.2)	(24.8)	(56.8)

(Equity method affiliate)						
	SMBC Trust		SMDAM ^{*3} 50%		SMFL ^{*3} 50%	
Gross profit	24.8	+2.9	18.3	(0.7)	125.4	+17.1
Expenses	18.0	(4.3)	15.2	+0.4	58.2	+8.5
Net business profit	6.8	+7.2	3.1	(1.1)	73.3	+10.3
Net income	5.9	+6.1	1.9	(0.9)	37.5	+1.6

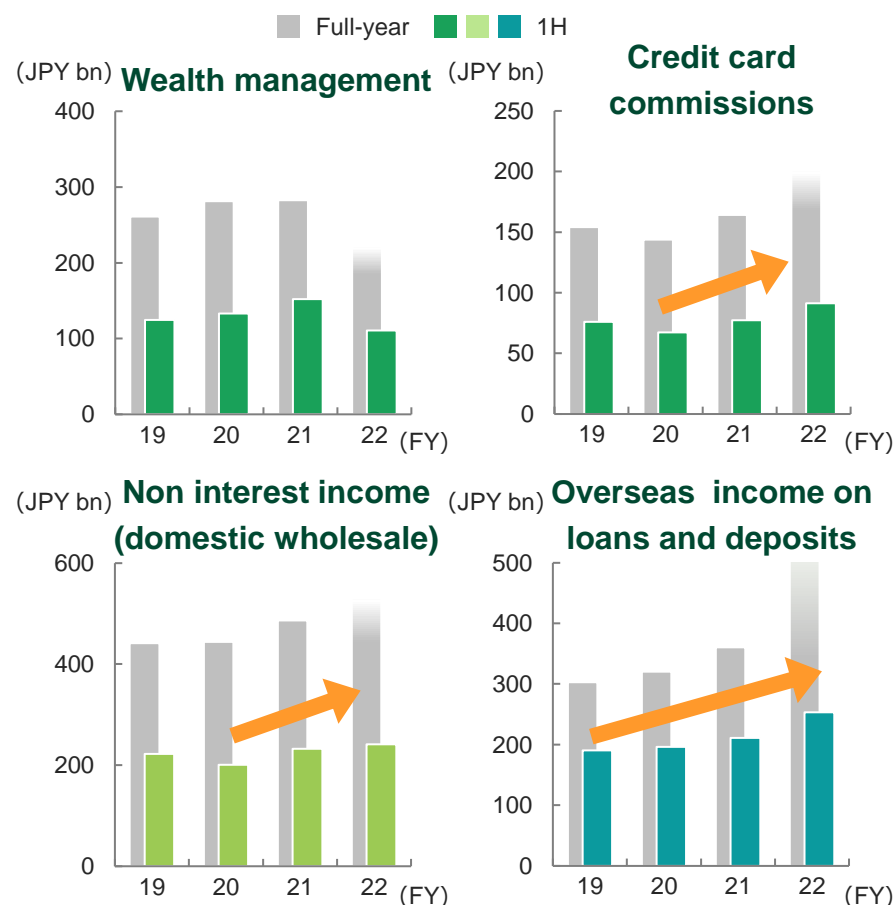
Consolidated net business profit

Recorded the highest 1H result: JPY 721.9 bn (YoY +135.8). Profit decline in SMBC Nikko and the wealth management business was offset by strong growth of other businesses.

Breakdown of YoY



Business (Gross profit)

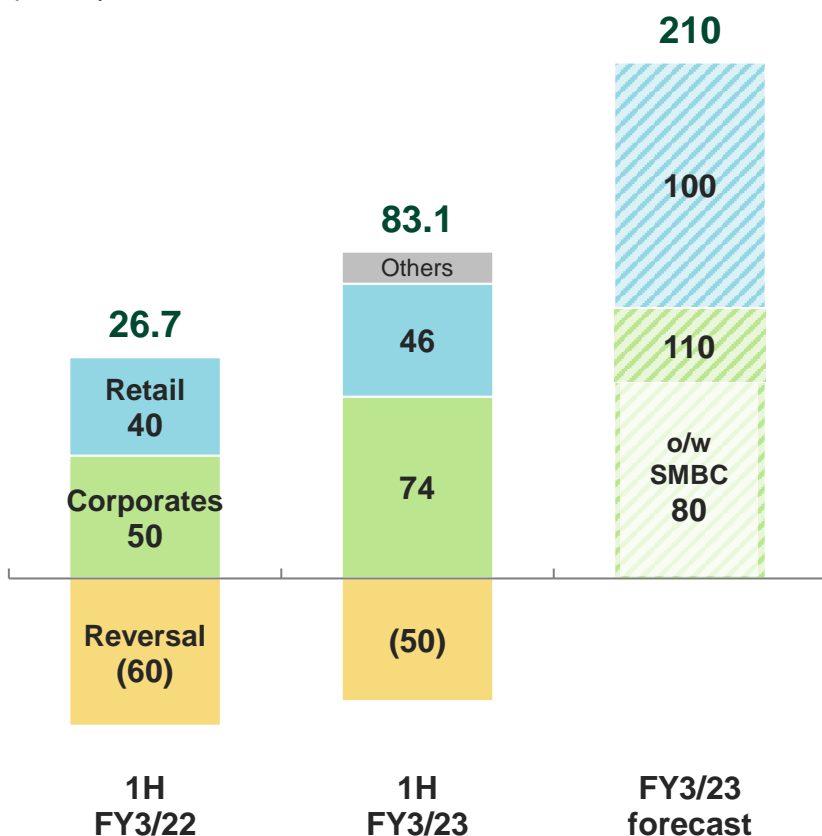


Credit costs / Financial impact from Russia

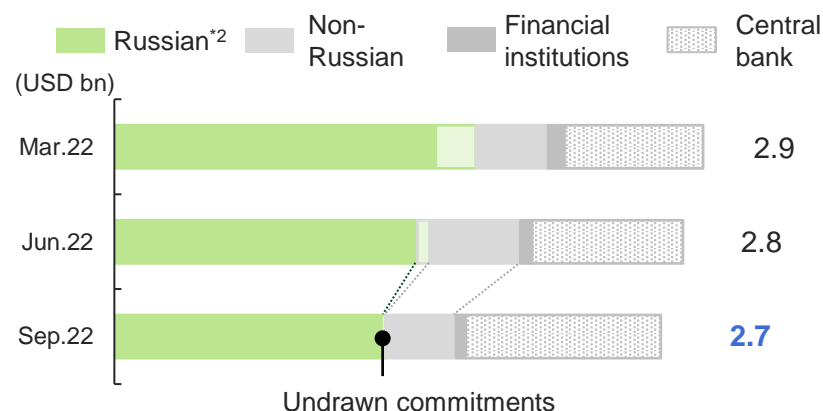
Credit cost in 1H increased YoY, but was managed to be lower than forecast.

Credit costs

(JPY bn)



Banking exposure to Russia*1



Aircraft leasing

- Impairment of aircraft: JPY 47 bn in FY22 (52% of NBV– after net guarantee deposit, etc)
- Downside: Additional impairment (≤USD 460 mn*3)
- All aircraft are insured, insurance claims are submitted

*1 Managerial accounting basis. Loans, commitment lines, guarantee investments, etc. of SMBC and local subsidiary calculated based on ultimate risk countries *2 Including project finance and ship finance

*3 After considering tax and ownership ratio (66%)

FY3/23 target

Consolidated

(JPY bn)	1H FY23		FY23		
	Initial target	Results	Initial target	New target	
Consolidated net business profit	600	721.9	1,235	1,265	● Revision of FX assumption*1: +60
Total credit cost	100	83.1	210	210	● Strong core business: +30
Ordinary profit	520	726.1	1,060	1,120	● Uncertainties: (60)
Profit attributable to owners of parent	350	525.4	730	770	● Higher gain on stocks: +30

Non-consolidated

(JPY bn)	1H FY23		FY23	
	Initial target	Results	Initial target	New target
Banking profit	370	484.5	730	840
Total credit cost	40	63.5	80	80
Ordinary profit	360	541.4	710	850
Net income	260	399.8	490	590

*1 From JPY120/USD to JPY140/USD

Consolidated gross profit

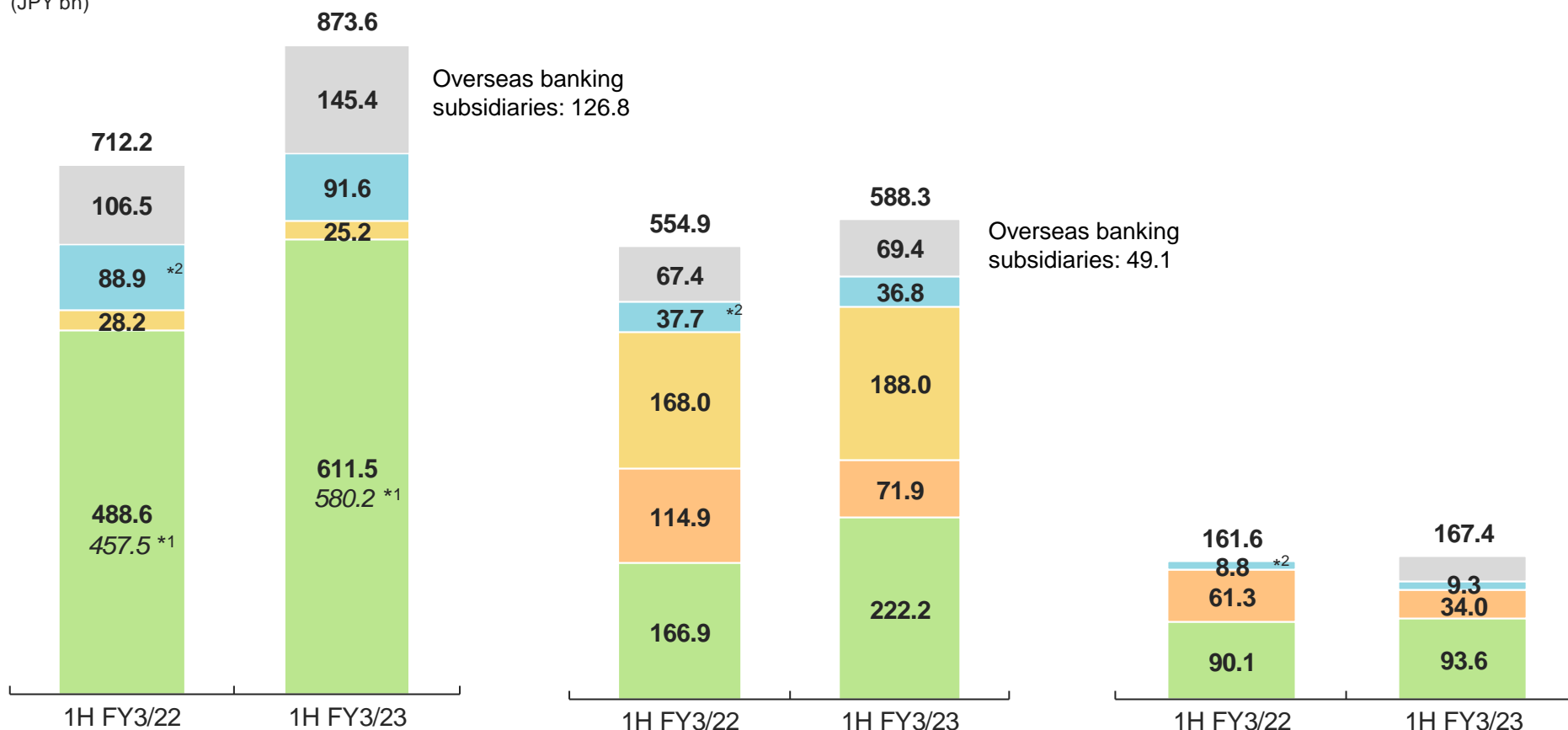
■ SMBC ■ SMBC Nikko ■ SMCC ■ SMBCCF ■ Others

Net interest income

Net fees and commissions

Net trading income + Net other operating income

(JPY bn)

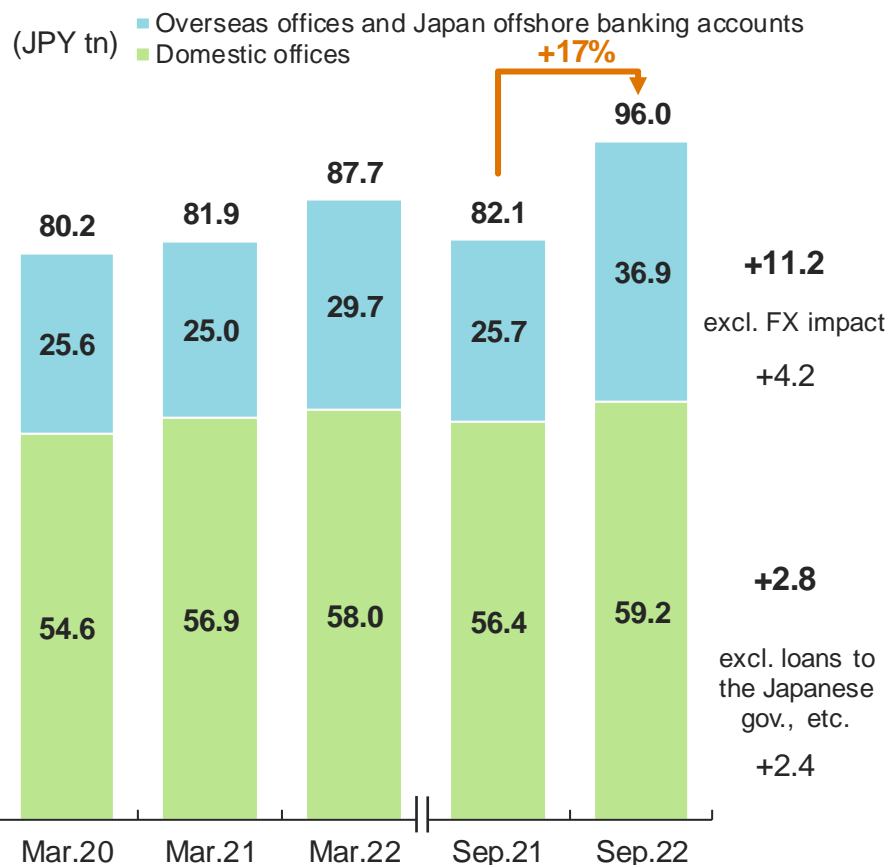


*1 Excl. gains on cancellation of investment trusts *2 Excl. impact of group reorganization

Loans*1

Loan demands from corporates in both domestic and overseas are strong and spreads are improving.

Loan balance



Domestic loan-to-deposit spread

	FY3/22	YoY	1Q	2Q
(%)				
Interest earned on loans and bills discounted	0.84	(0.01)	0.83	0.84
Interest paid on deposits, etc.	0.00	+0.00	0.00	0.00
Loan-to-deposit spread	0.84	(0.01)	0.83	0.84

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

Interest earned on loans and bills discounted	0.85	(0.01)	0.85	0.86
Loan-to-deposit spread	0.85	(0.01)	0.85	0.86

Average loan balance and spread*2

	Balance (JPY tn)		Spread (%)	
	1H FY3/23	YoY*4	1H FY3/23	YoY
Domestic loans	57.0	+1.8	0.71	(0.00)
Excluding loans to the Japanese government, etc.	54.5	+1.6	0.74	(0.00)
o/w Large corporations	19.3	+0.6	0.55	+0.02
o/w Mid-sized corporations & SMEs	19.7	+0.7	0.62	+0.01
o/w Individuals	11.9	(0.2)	1.36	(0.03)
GBU's interest earning assets*3	357.8	+39.0	1.22	+0.02
	USD bn	USD bn		

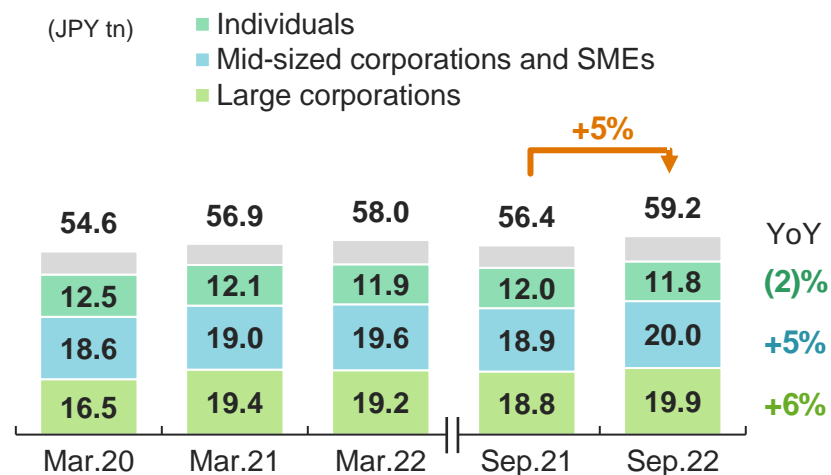
*1 Non-consolidated *2 Managerial accounting basis

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

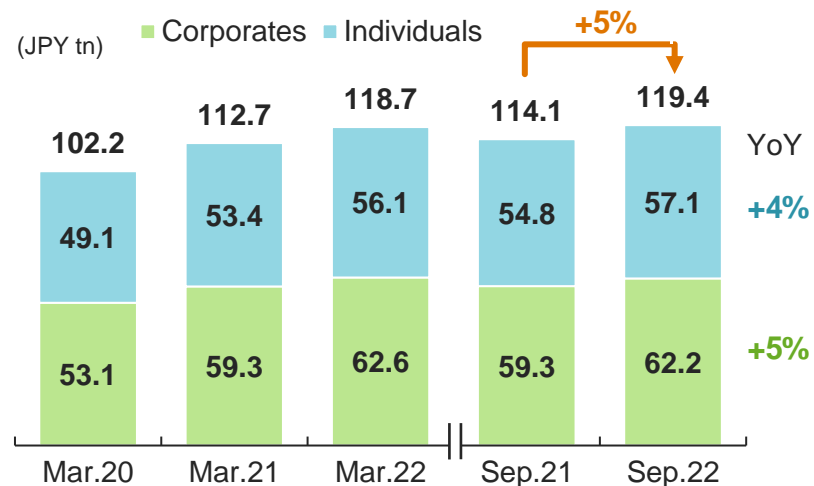
*4 After adjustments for exchange rates, etc.

Domestic loans and deposits*1

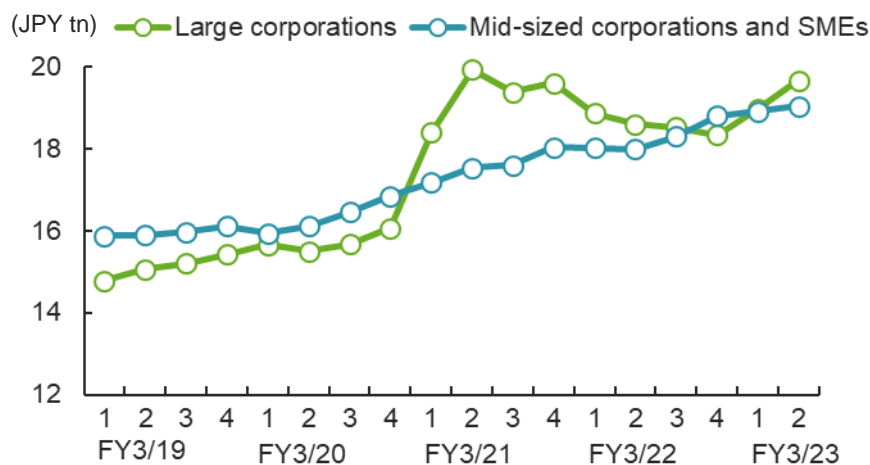
Loan balance*2



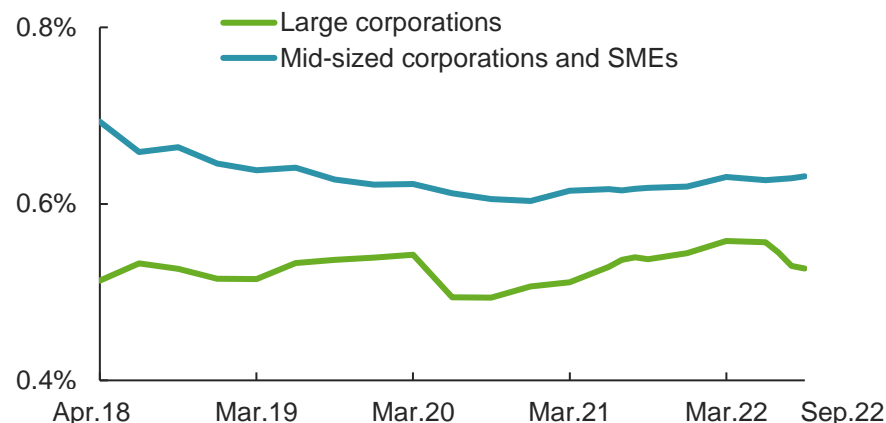
Deposit balance



Loan average balance for corporates*2,3



Loan spread for corporates*2,4



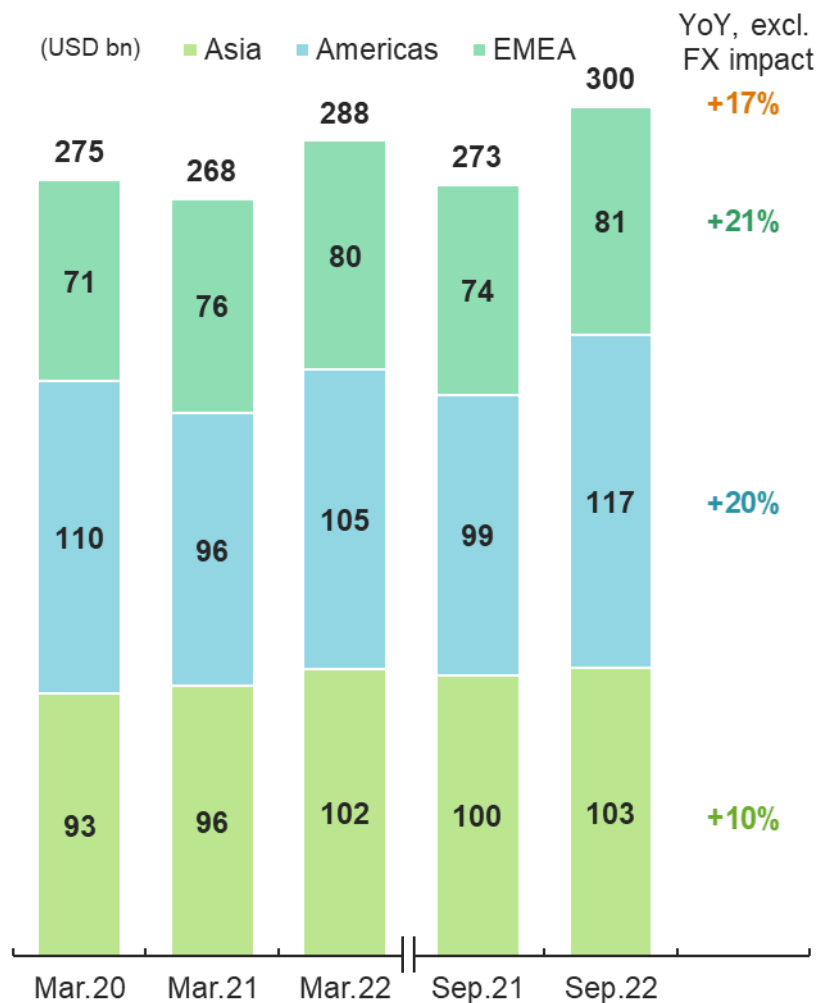
*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average, excluding loans to the Japanese government.

Figures for SMEs are the outstanding balance of Corporate banking division

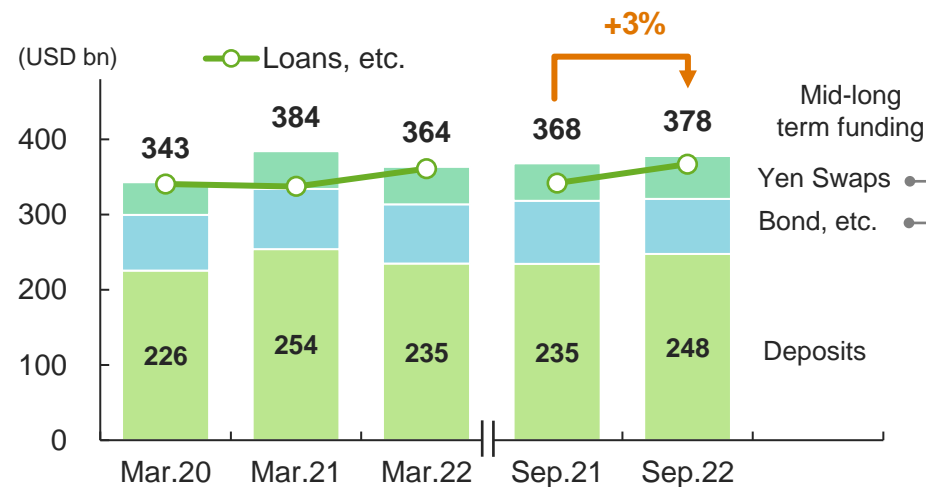
*4 Loan spread of existing loans, excluding loans to the Japanese government

Overseas loans and deposits*1

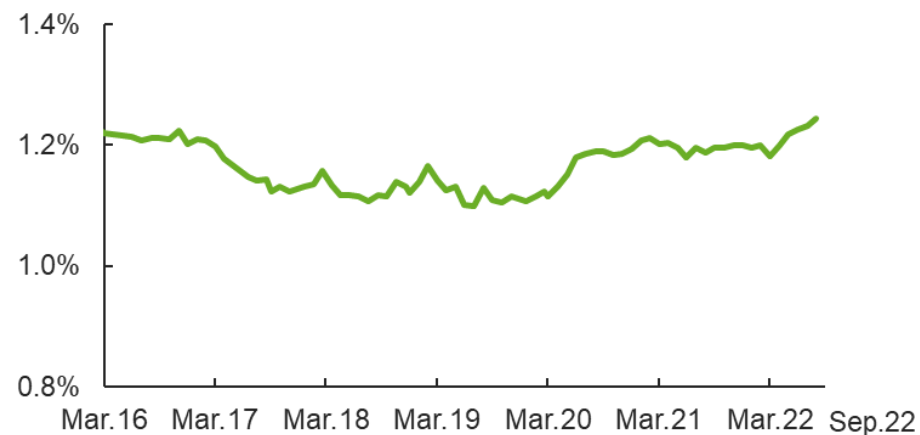
Loan balance



Foreign currency balance



Loan spread*2

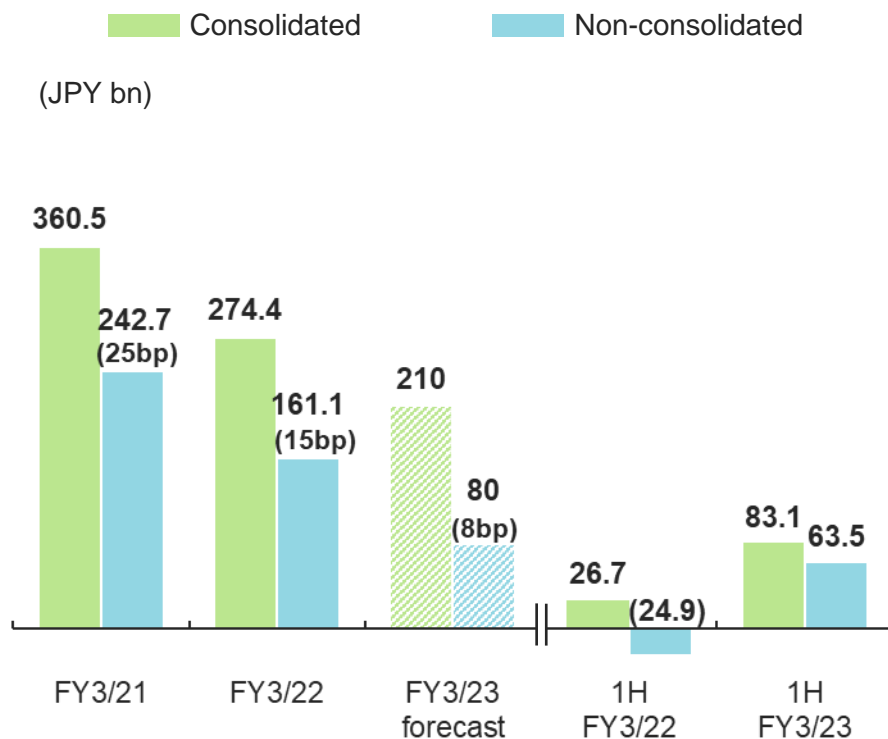


*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

*2 Monthly average loan spread of existing loans

Asset quality

Credit costs^{*1}



Major group companies

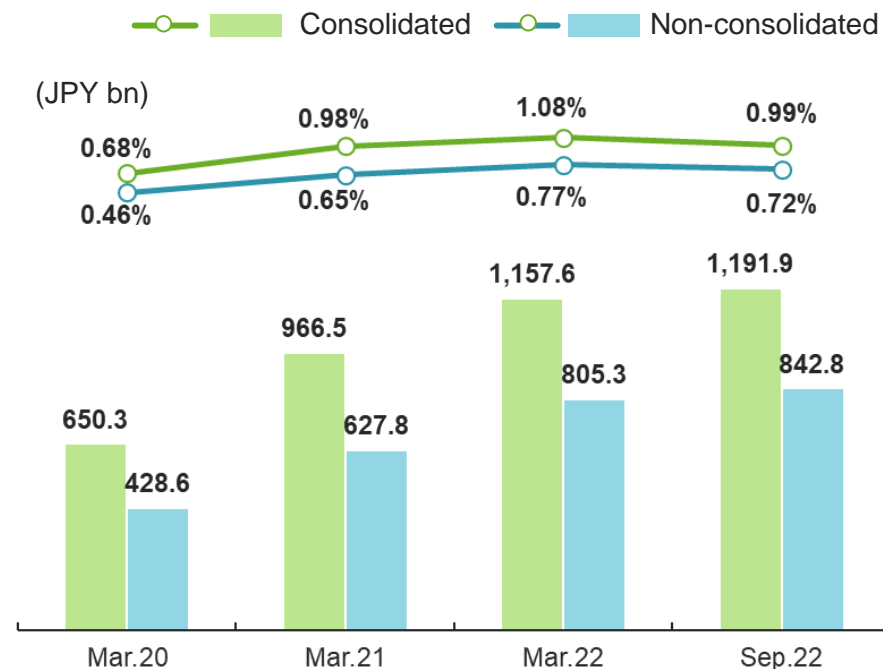
(JPY bn)	1H FY3/23	YoY
SMBCCF	31	+2 ^{*3}
SMCC	15	+4
Overseas banking subsidiaries	(3)	(12)
Adjustments of FX	(23)	(23)

^{*1} Total credit cost ratio = Total credit cost / Total claims

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

^{*3} Including the impact of group reorganization

Non-performing loan balance^{*2}



Total claims

	99	107	120
Consolidated			
Non-consolidated	96	104	117

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

Non-consolidated	1.9	1.9	1.9
------------------	-----	-----	-----

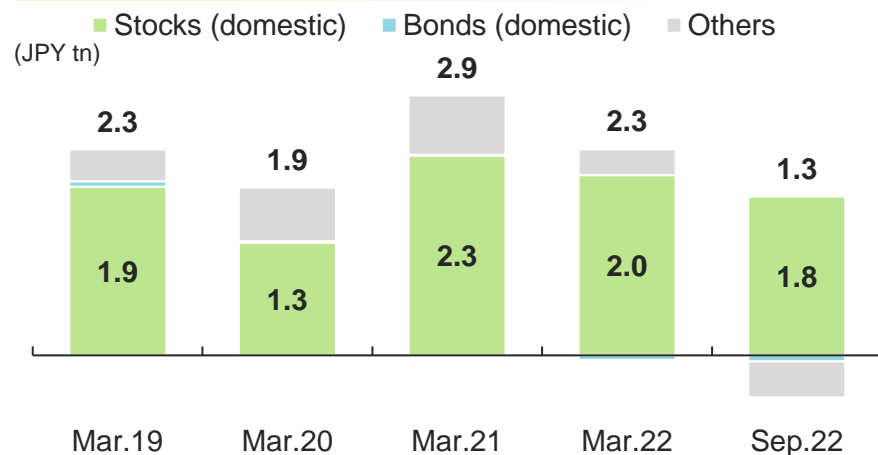
Securities (1)

Breakdown of other securities (consolidated)

	B/S amount		Unrealized gains (losses)	
	(JPY bn)	Sep.22 vs Mar.22	Sep.22 vs Mar.22	
Total	31,761.9	(6,353.0)	1,318.7	(958.5)
Stocks (domestic)	3,222.4	(181.0)	1,790.7	(242.9)
Bonds (domestic)	13,814.0	(5,746.3)	(67.2)	(17.2)
o/w JGBs	9,988.1	(5,786.1)	(48.4)	(1.3)
Others	14,725.5	(425.8)	(404.8) ^{*1}	(698.5)
o/w Foreign bonds	12,419.7	+364.1	(1,049.3)	(600.5)

Risk volume is controlled by hedging and others

Unrealized gains

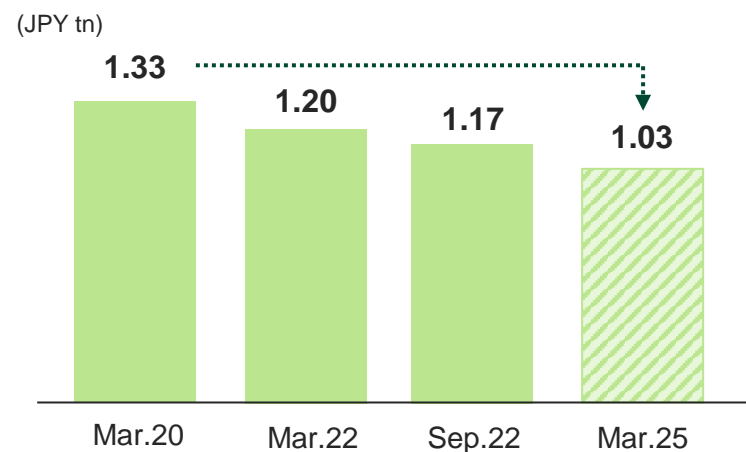


Reduction of shareholdings

Total reduction	JPY 152 bn
FY3/21	JPY 55 bn
FY3/22	JPY 67 bn
1H FY3/23	JPY 30 bn
Consent of sales from clients outstanding	JPY 66 bn
Reduction + Consent	JPY 219 bn

Reduction plan ^{*2}

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

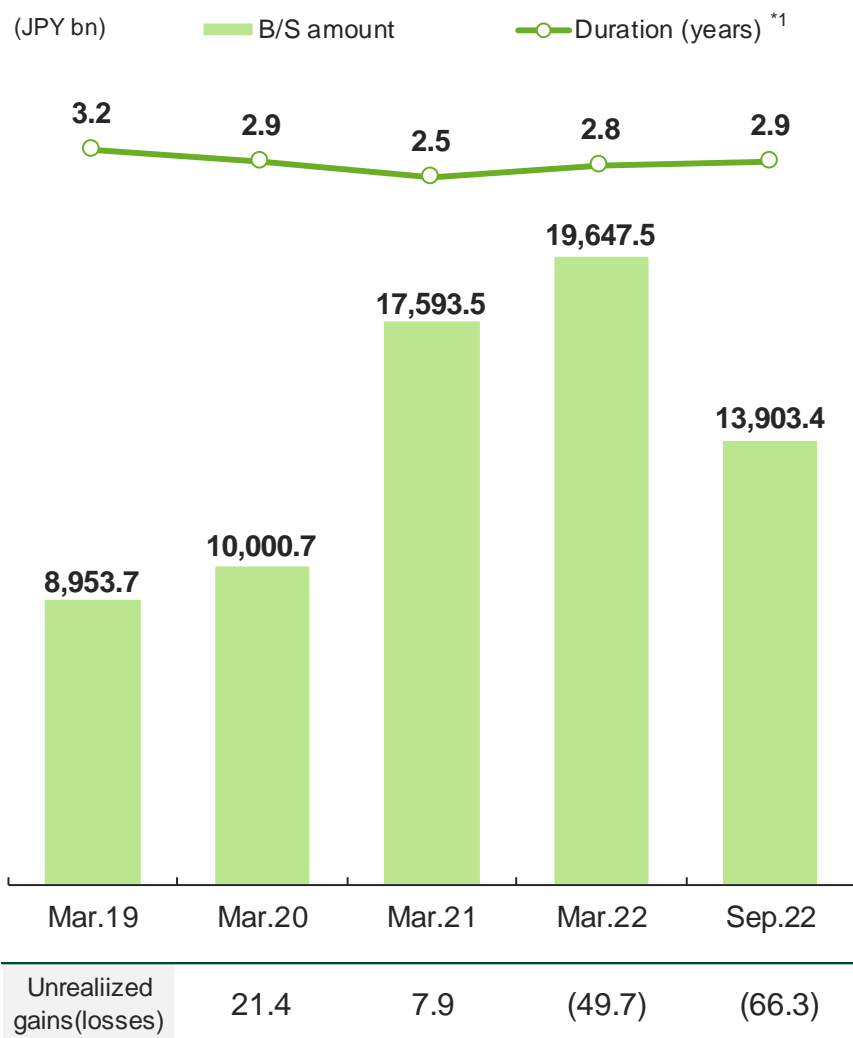


^{*1} The difference between foreign bonds and others is unrealized gain on foreign stocks

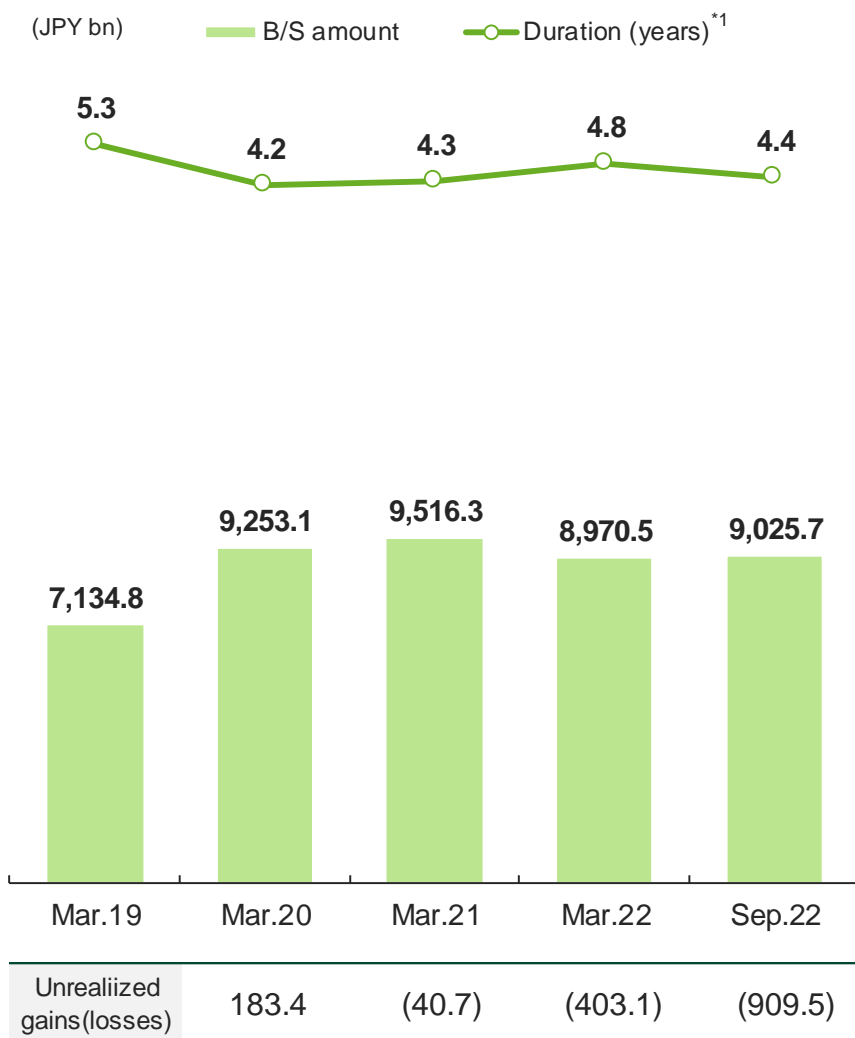
^{*2} Excl. investments after Mar.20 for the business alliance purpose

Securities (2)

Yen-denominated bonds (Non-consolidated)



Foreign bonds (Non-consolidated)



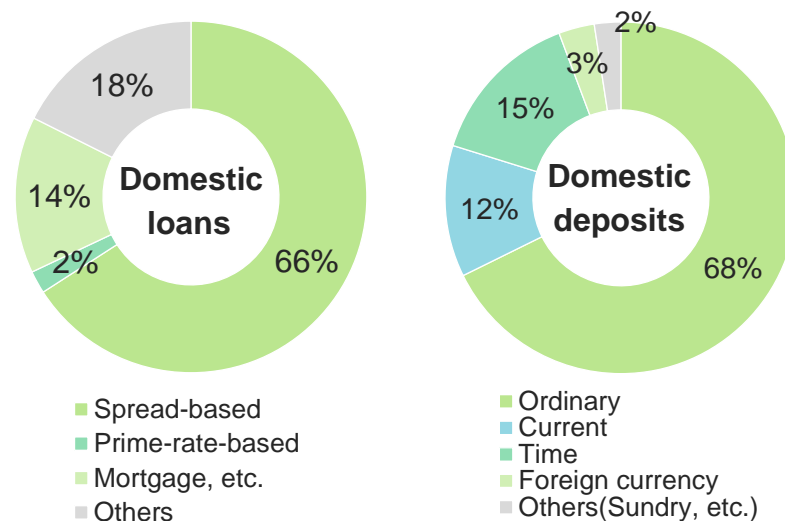
^{*1} Managerial accounting basis. Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds.

Balance sheet

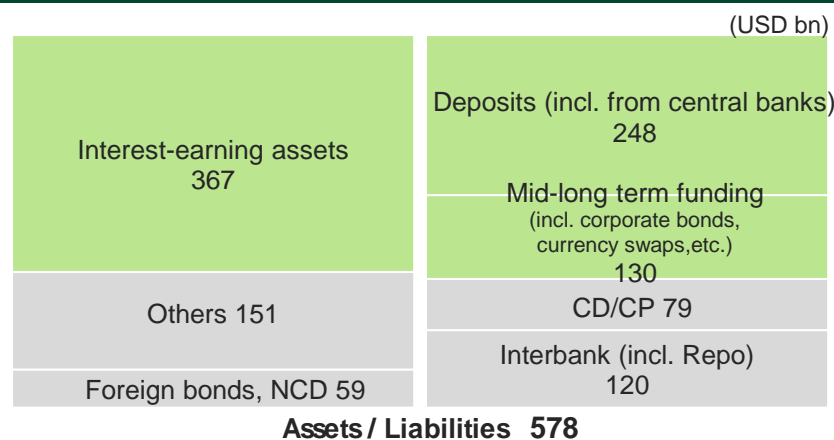
Consolidated

	(JPY tn)	Sep. 22	vs. Mar. 22
Total assets		271.7	+14.0
o/w Cash and due from banks		70.8	(4.0)
o/w BOJ's current account balance ^{*1}		51.6	(7.0)
o/w Loans		100.9	+10.0
o/w Domestic loans ^{*1}		59.2	+1.2
o/w Large corporations ^{*2}		19.9	+0.6
うち Mid-sized corporations & SMEs ^{*2}		20.0	+0.4
うち Individuals ^{*2}		11.8	(0.1) ^{*3}
o/w Securities		32.6	(6.0)
o/w Other securities		31.8	(6.4)
o/w Stocks		3.2	(0.2)
うち JGBs		10.0	(5.8)
うち Foreign bonds		12.4	+0.4
Total liabilities		259.0	+13.5
o/w Deposits		157.1	+8.5
o/w Domestic deposits ^{*1}		119.4	+0.7
Individuals		57.1	+1.0
Corporates		62.2	(0.4)
o/w NCD		14.5	+1.4
Total net assets		12.8	+0.6
Loan to deposit ratio		58.8%	

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



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



^{*1} Non-consolidated ^{*2} Managerial accounting basis ^{*3} After adding back the portion of housing loans securitized in 1H FY3/23 of JPY41.3bn ^{*4} Sum of SMBC and major local subsidiaries

Capital / RWA

	Sep. 22	Requirement ^{*1}
Capital ratio		
Total capital ratio	15.63%	11.5%
CET1 ratio (Basel III fully-loaded basis)	13.69%	8%
excl. net unrealized gains on other securities	12.4%	-
CET1 ratio (Post-Basel III reforms)	10.6%	8%
excl. net unrealized gains on other securities	10.1%	-
External TLAC ratio		
RWA basis	24.45%	18.0%
Leverage exposure basis	9.23%	6.75%
Leverage ratio	4.83%	3%
LCR (Average 2Q FY3/23)	130.2%	100%

(JPY bn)	Mar. 22	Sep. 22
Total capital	11,983.8	12,193.5
Tier1 capital	11,186.2	11,415.4
o/w CET1 capital	10,458.4	10,681.8
Tier2 capital	797.5	778.1
External TLAC	20,628.1	21,819.7
Risk-weighted assets	72,350.1	77,971.4
Leverage exposure	216,080.4	236,237.4

*1 Excl. countercyclical buffer

Results by Business Unit (1)

Retail

(JPY bn)	1H FY3/23	YoY ^{*1}
Gross profit	553.8	(18.3)
Income on loans and deposits ^{*2}	56.5	(2.3)
Wealth management business	110.7	(41.5)
Payment business	216.2	+21.2
Consumer finance business	156.0	+3.8
Expenses	456.2	(5.2)
Base expenses	353.7	(12.6)
Net business profit	99.7	(11.8)
ROCET1 ^{*3}	6.2%	(3.3)%
RWA (JPY tn)	12.7	+0.1

Wholesale

(JPY bn)	1H FY3/23	YoY ^{*1}
Gross profit	367.4	+18.6
Income on loans and deposits	126.6	+13.2
FX and money transfer fees	69.4	+7.7
SMBC Loan syndication	21.1	+2.2
Structured finance	3.6	(3.2)
Real estate finance	6.6	(0.9)
Securities business	15.8	(13.2)
Expenses	145.5	(4.5)
Base expenses	144.1	(1.6)
Net business profit	259.2	+30.3
ROCET1 ^{*4}	13.9%	+3.2%
RWA (JPY tn)	30.6	+0.8

*1 After adjustments of the changes of interest rates and exchange rates *2 Excluding consumer finance

*3 Excluding impact from the provision for losses on interest repayments, etc.

*4 Excluding mid-long-term funding costs

Results by Business Unit (2)

Global

(JPY bn)	1H FY3/23	YoY ^{*1}
Gross profit	601.1	+77.5
Income on loans and deposits	253.2	+42.2
Loan related fees	108.0	+14.6
Securities business	19.9	(18.8)
Expenses	314.7	+33.1
Base expenses	297.2	+27.3
Net business profit	332.4	+71.5
ROCET1 ^{*2}	10.7%	+1.5%
RWA (JPY tn)	50.8	+4.7

Global Markets

(JPY bn)	1H FY3/23	YoY ^{*1}
Gross profit	266.0	+8.6
SMBC's Treasury Unit	187.2	(4.6)
Expenses	56.7	+4.4
Base expenses	54.5	+3.7
Net business profit	224.7	+6.5
ROCET1 ^{*3}	20.2%	(0.2)%
RWA (JPY tn)	4.9	(1.9)

*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

Progress of Medium-Term Management Plan by Business Unit

	ROCET1 *1,2			Net Business Profit (JPY bn) *2			RWA (JPY tn) *2		
	1H FY3/23	YoY	FY3/23 Target*3	1H FY3/23	YoY	FY3/23 Target	Sep.22	vs. Mar.20	Mar.23 Target
Retail	6.2%	(3.3)%	12%	99.7	(11.8)	305	12.7	+0.2	+0.4
Wholesale	13.9%	+3.2%	9%	259.2	+30.3	440	30.6	+1.9	+1.6
Global	10.7%	+1.5%	9%	332.4	+71.5	465	50.8	+5.8	+2.6
Global Markets	20.2%	(0.2)%	17%	224.7	+6.5	355	4.9	(1.0)	+1.5

*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

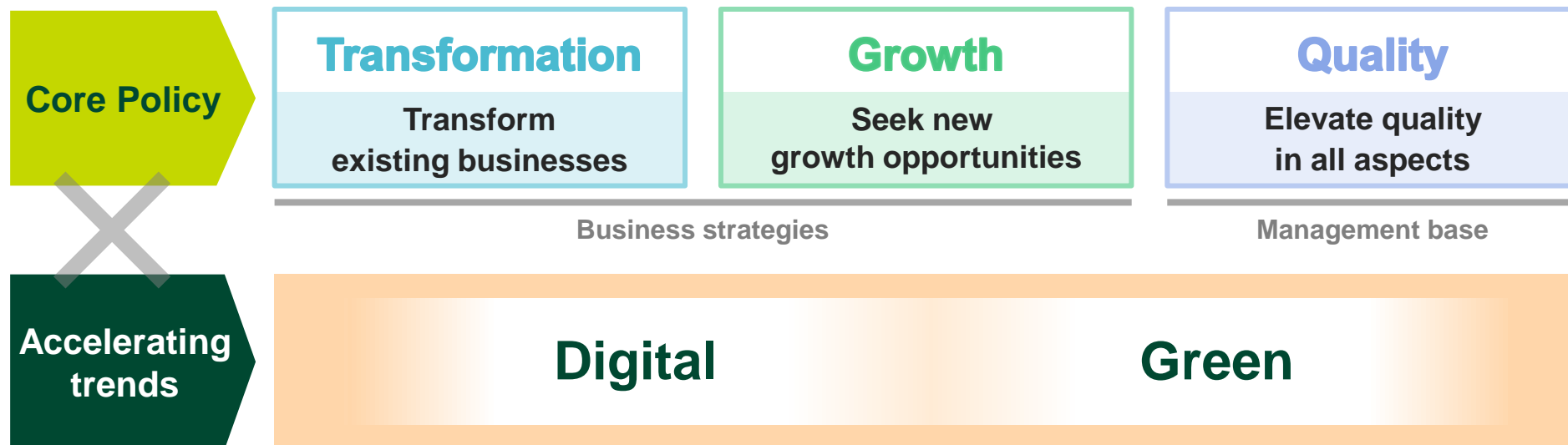
*2 Managerial accounting basis of FY3/23, after adjustments of the changes of interest rates and exchange rates

*3 Managerial accounting basis of FY3/21

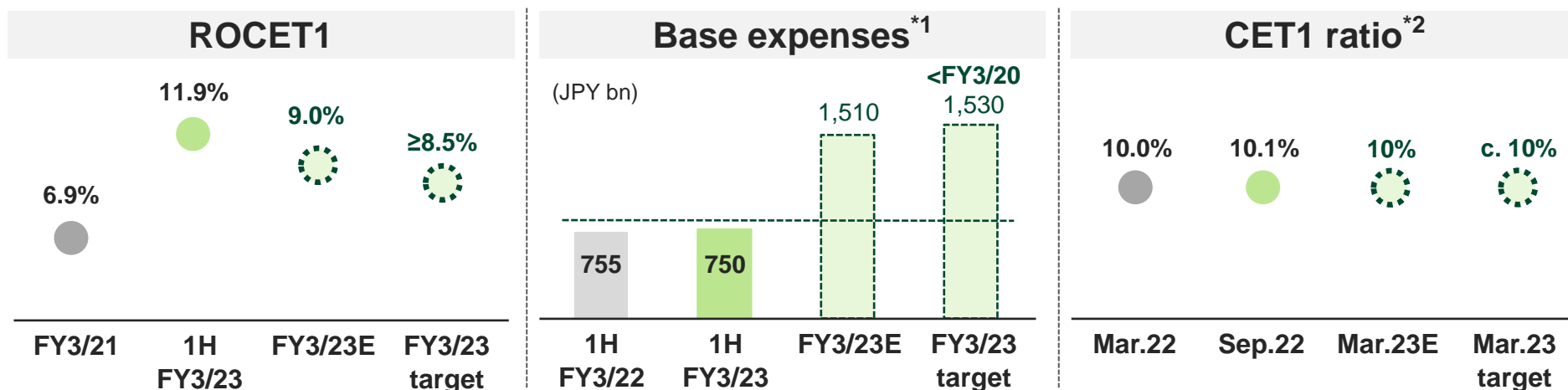


II. Progress of Medium-Term Management Plan

Progress of Medium-Term Management Plan



Financial targets

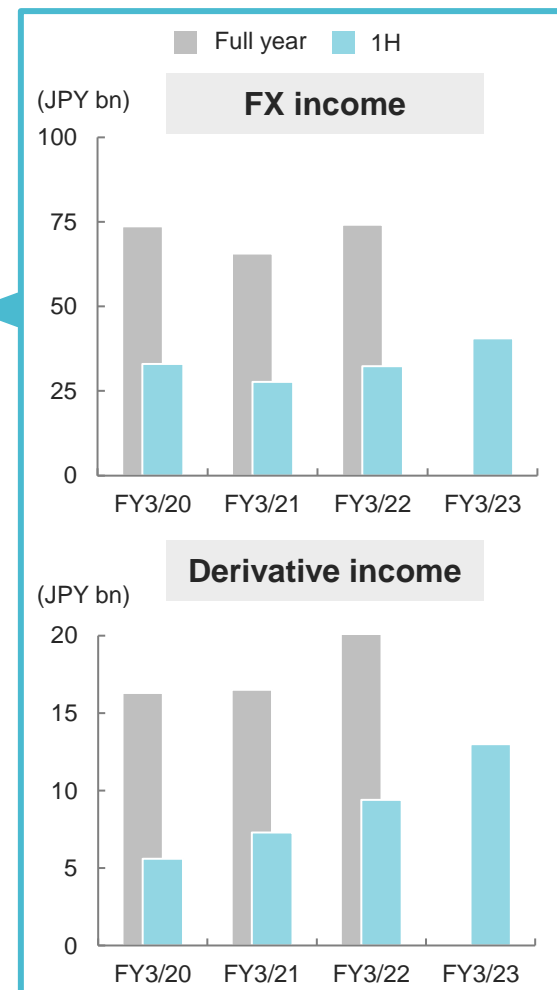
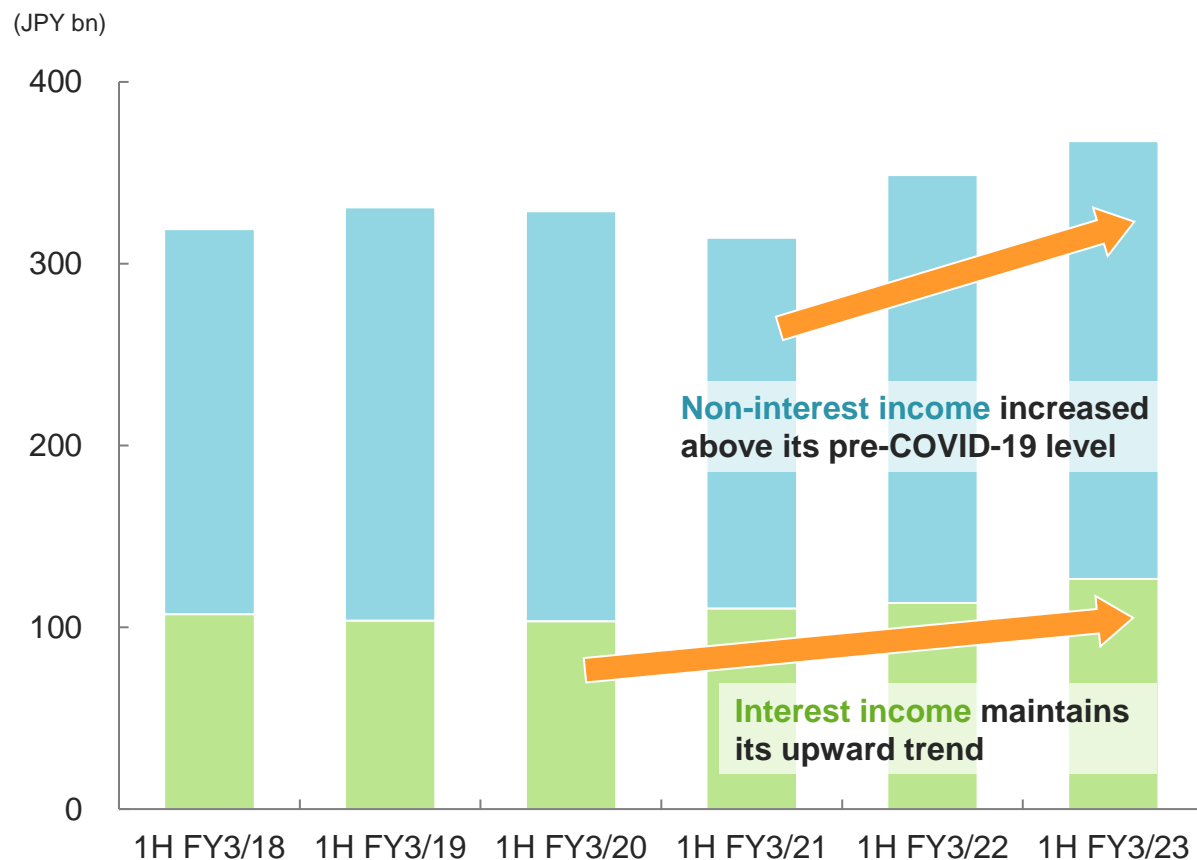


^{*1} G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others.
Exchanged at USD1=JPY105 ^{*2} Post-Basel III reforms basis, excludes net unrealized gains on other securities

Transformation & Growth (1) Domestic wholesale business

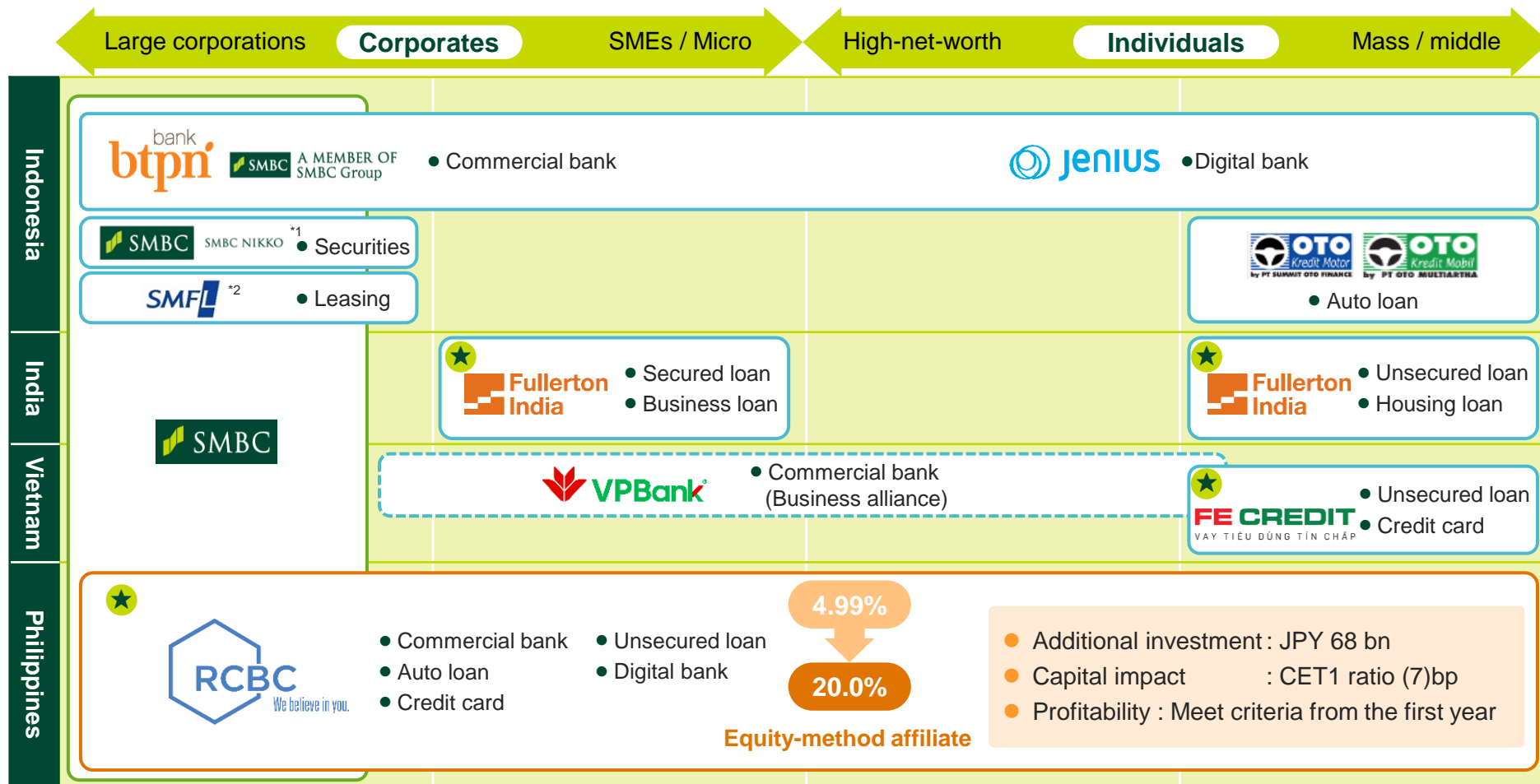
Domestic wholesale business made good progress on the back of increasing corporate activities. Especially, non-interest income was strong due to FX and derivatives under a volatile market environment.

Consolidated gross profit (WS)



Transformation & Growth (2) Multi-franchise strategy

Accelerate the multi-franchise strategy by making RCBC into an equity-method affiliate.



★: Deals in this Medium-Term Management Plan

(Ref.) Progress of investment

Fullerton India

Investment ratio 74.9%

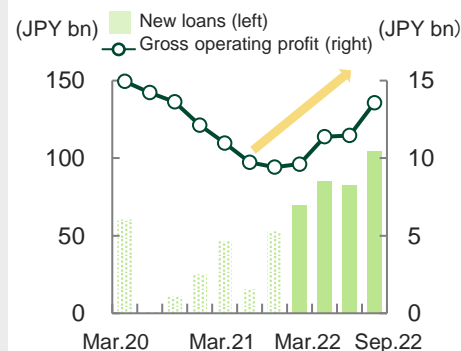
Action Enter growing retail and SME businesses

Strong recovery from COVID-19

- Recovering demand for new loans
- Lower credit costs

Synergies

- Promote sales finance
- Support funding
- Collaborate with fintech



FE Credit

49%

Action Access the retail market with the industry's largest player

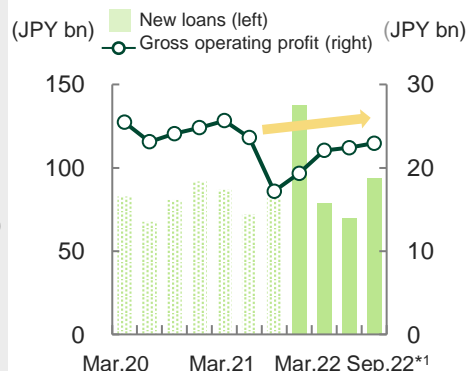
Delayed recovery from COVID-19

- Credit costs remain high

Synergies

- Introduce Japanese clients (started sales of new products)
- Support funding
- Collaborate with fintech

Collaborate w/ VP Bank



RCBC

To be completed in 1Q FY3/24 20%

Action Expand business areas by collaborating with a local commercial bank

- Announced an additional investment in RCBC to make it an equity-method affiliate
- Accelerate its growth by collaborating on a group-wide basis

Jefferies

4.3%

Action Strengthen CIB business in the U.S.

- Expand business collaboration
Collaborating in EMEA and new sectors/products in addition to Sub-IG, cross-border M&A, and U.S. healthcare
- Consider further alliance

Goshawk

To be completed by Dec.22 66%

Action Establish top-class position in the market

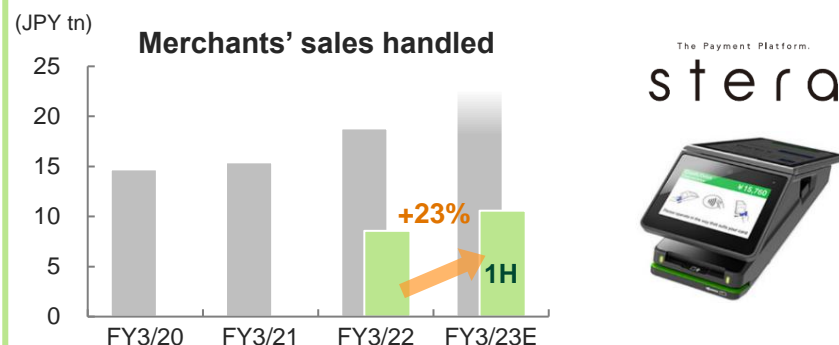
- Expect to integrate management in a few years
- Strengthen asset-turnover business (JOL / aircraft funds)
- Aim for net income of USD 700 mn in five years

Transformation & Growth (3) Payment business

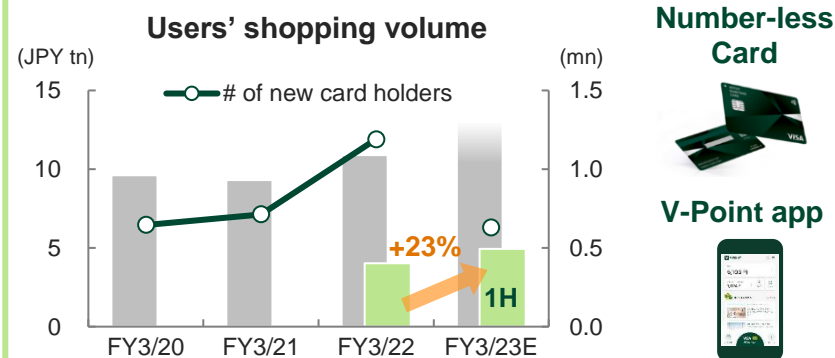
Credit card business: recovery of consumption is accelerating the growth of both acquiring and issuing.
Consumer finance: loan balance bottomed out with the # of new contracts exceeding its pre-COVID level.

Growth of credit card business

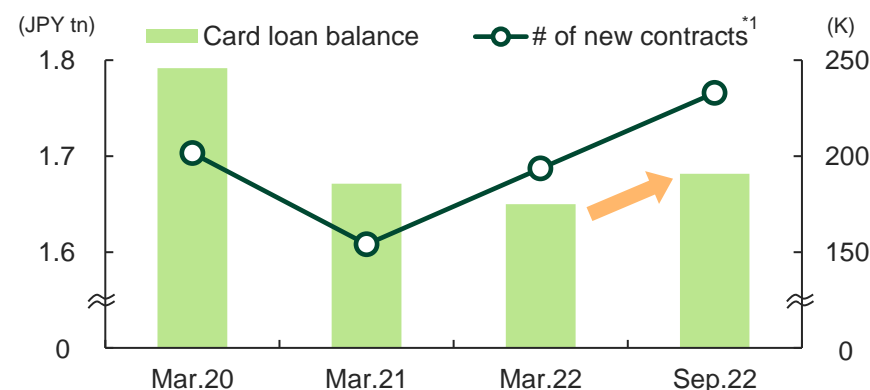
Acquiring



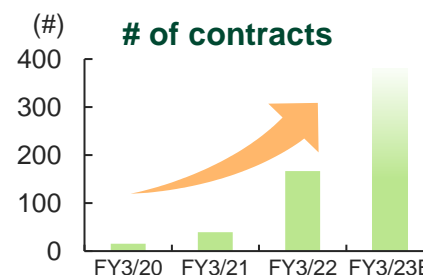
Issuing



Recovery of consumer finance



Data analysis marketing



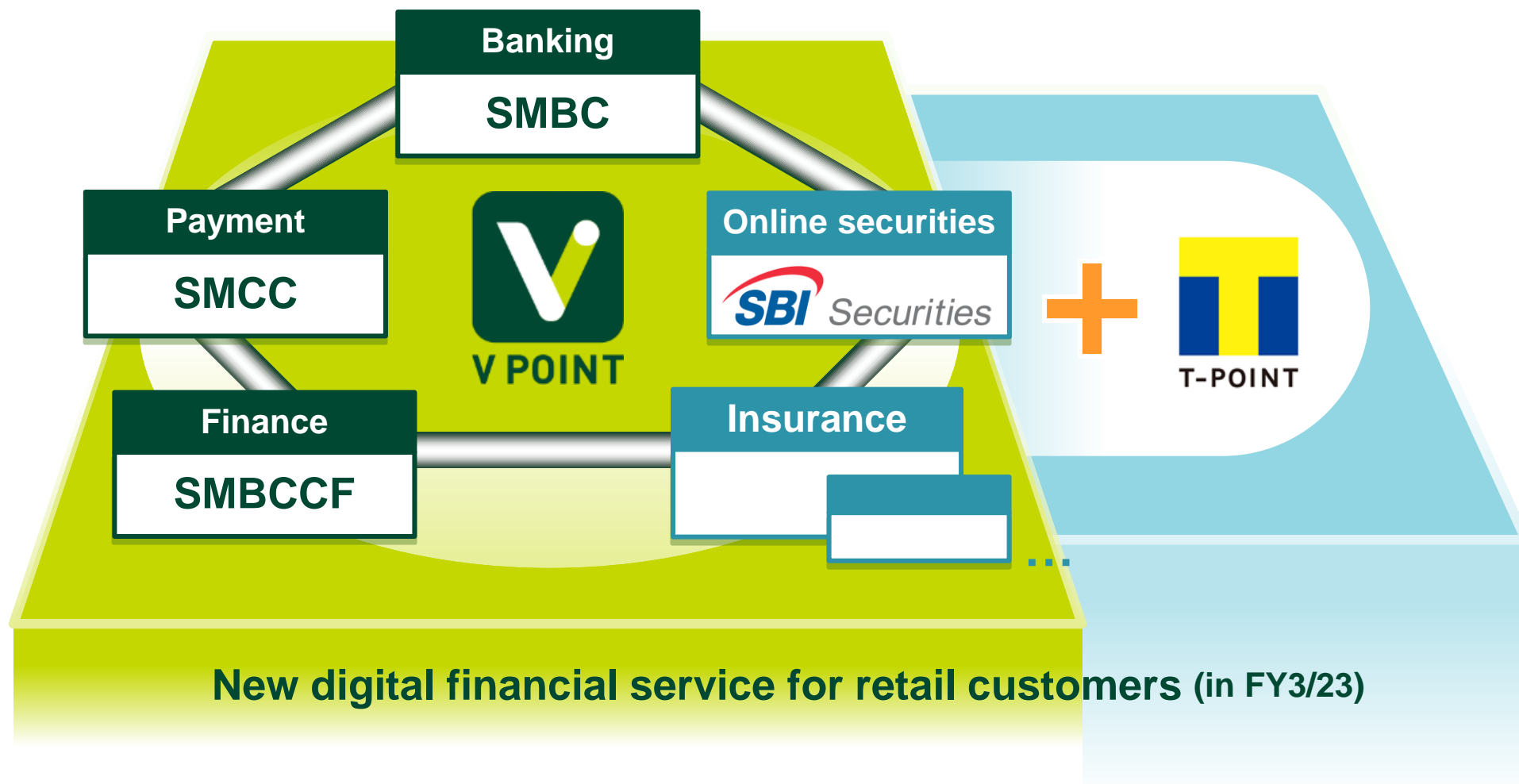
New services

- Market trend
- Revenue trend
- Issue analysis
- Advertisement
- AI analysis
- Attitude survey
- Marketing area analysis

*1 Half-yearly average for FY3/20-22

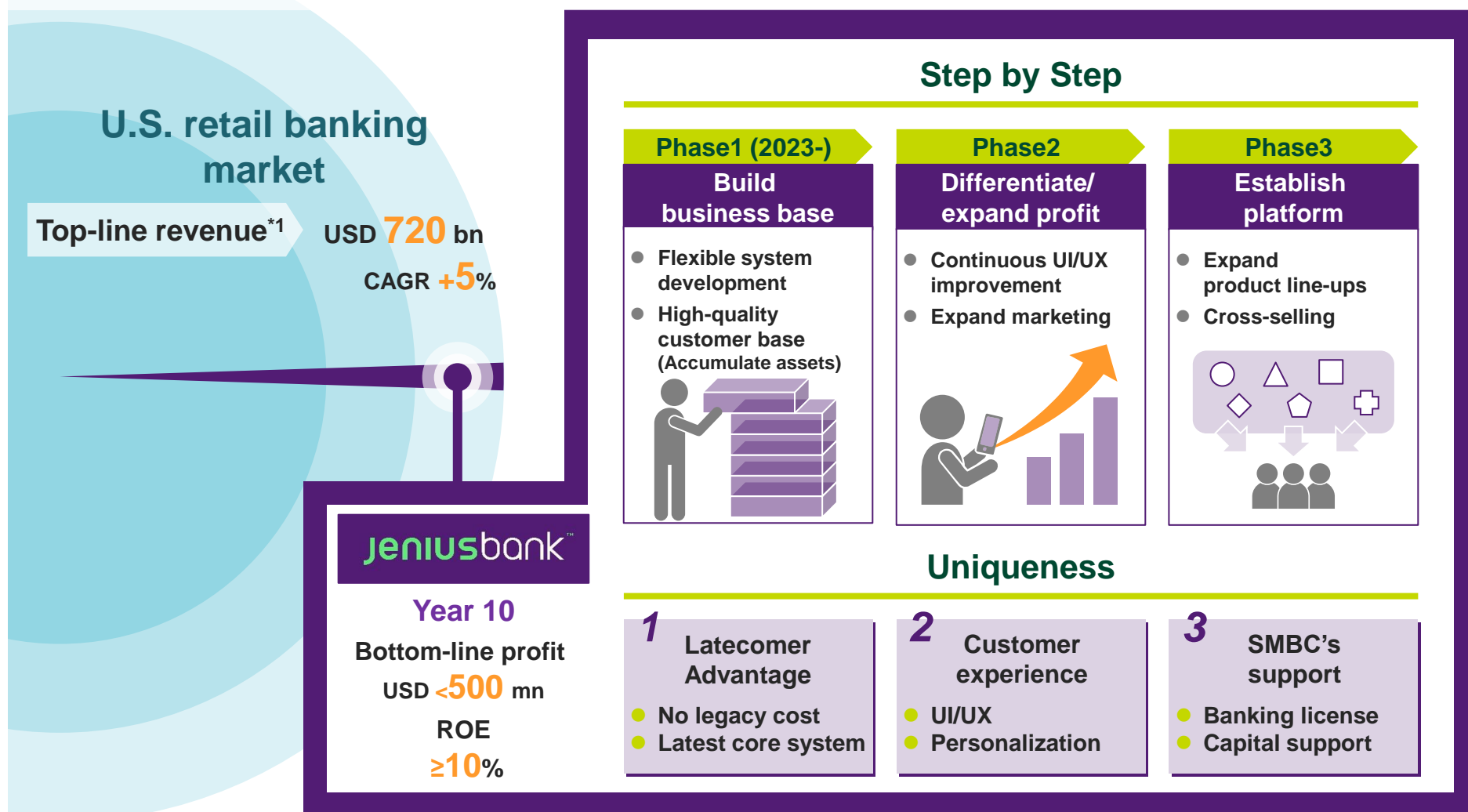
Digital (1) Expand retail platform through digitalization

Build No.1 retail financial platform by providing various services seamlessly and leveraging alliances with external partners.



Digital (2) New challenge: U.S. digital retail banking

Expand business step by step in the huge U.S. retail banking market by leveraging our uniqueness

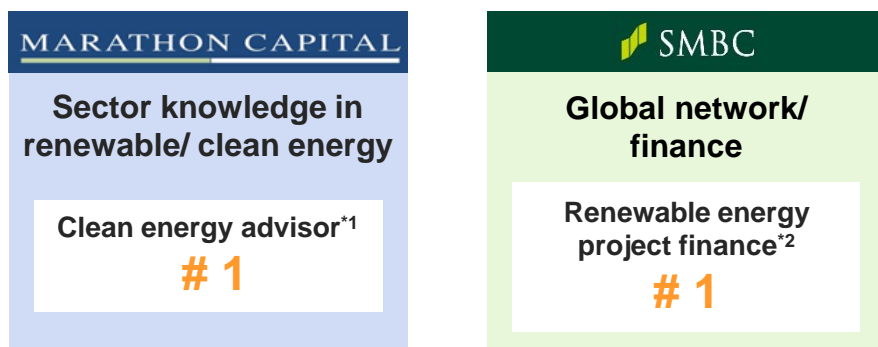


*1 Estimated figures

Green (1) Decarbonization solutions

Provide a wide range of solutions to support clients' efforts for decarbonization.

New businesses with Marathon Capital

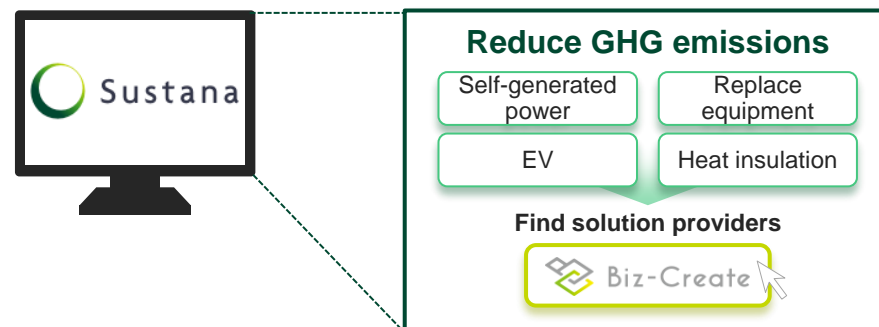


Collaborate in ESG areas

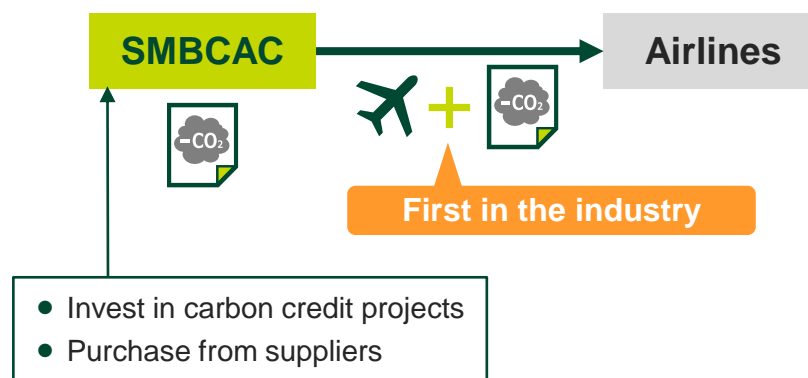


Sustana

Sep. 22 Added a function that recommends measures to reduce GHG emissions



Carbon credit sales in aircraft leasing

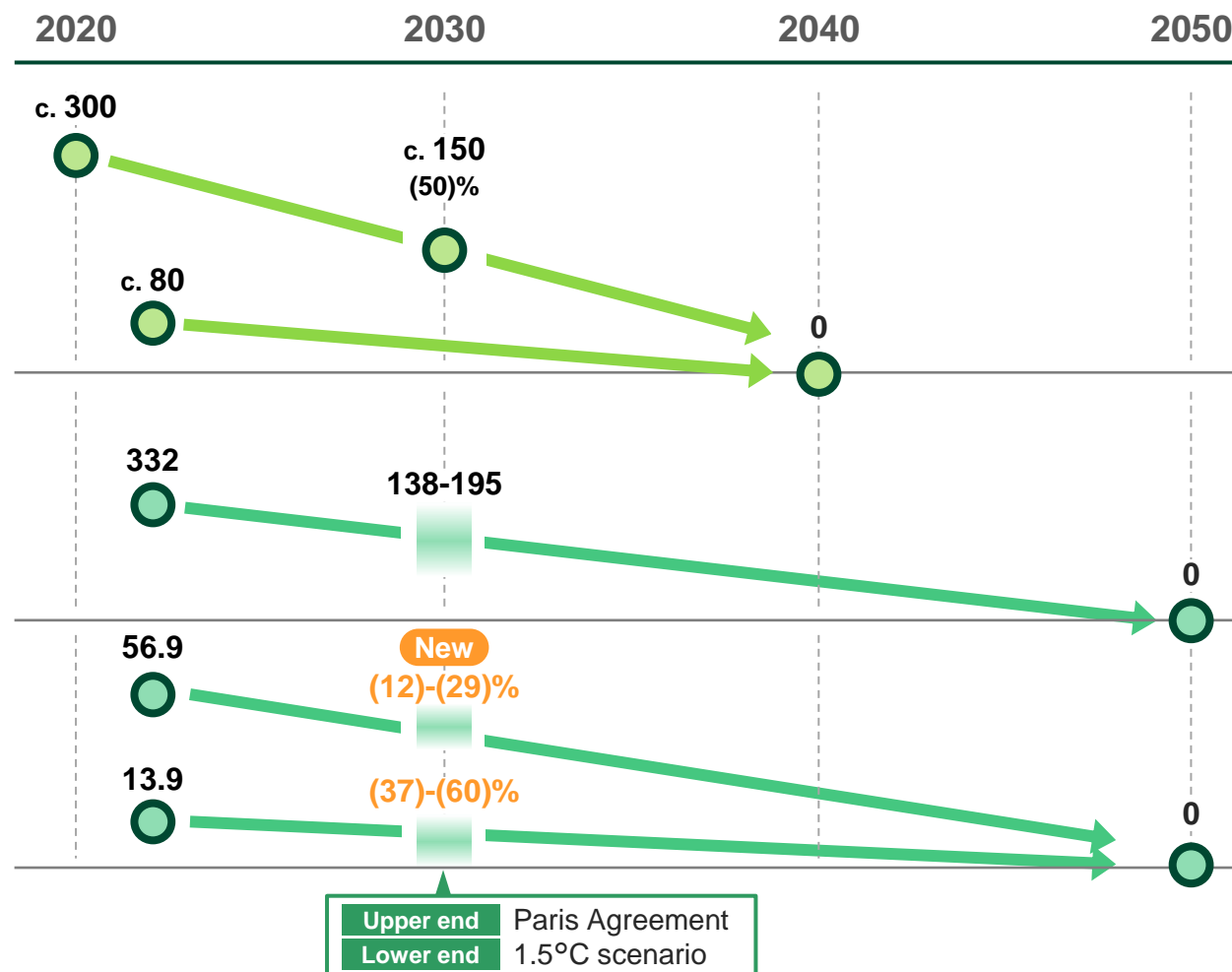


*1 Source: Bloomberg (North America, 2019-2021, # of deals) *2 Source: IJ Global (global, 2021, amount)

Green (2) Reduction target toward 2050 net zero

Set new interim reduction target for financed emissions from the energy sector (oil&gas, coal).

Loan balance for coal-fired power generation (JPY bn)	Project Finance
	Corporate Finance (tied to facilities)
Financed emissions Power sector (g-CO2e/kWh)	
Financed emissions Energy sector (MtCO2e)	Oil & Gas
	Coal



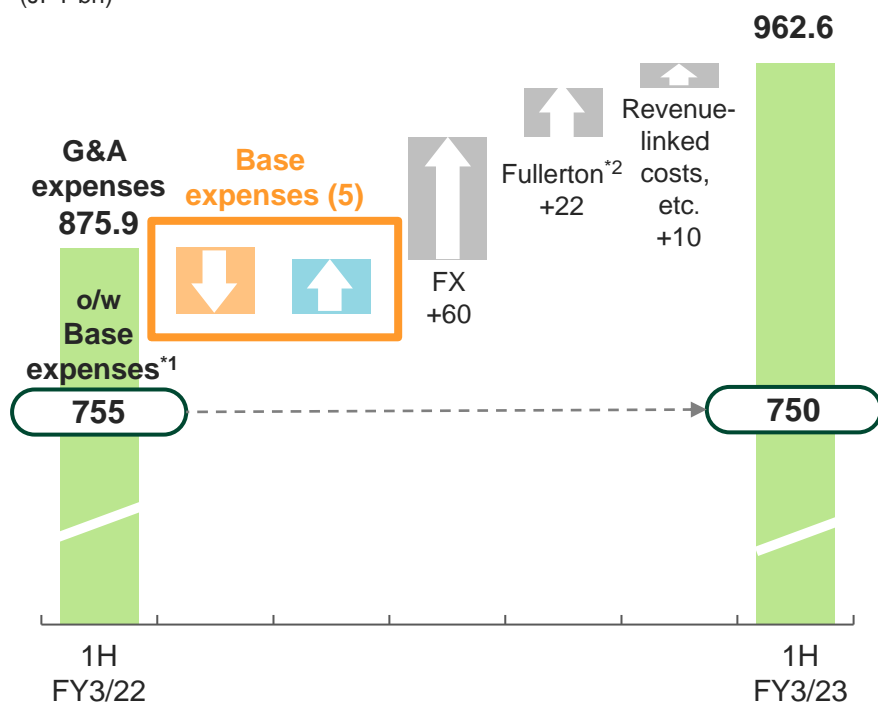
Cost-control / IT investment

Managed to decrease base expenses, while G&A expenses increased due to FX impact, etc.
Increased IT investment budget further by JPY 5 bn to ensure governance improvement.

Cost control

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

(JPY bn)

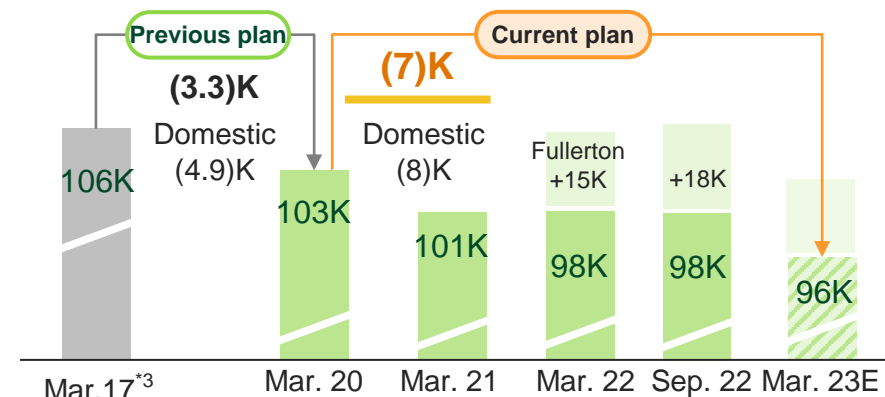


*1 G&A expenses excluding cost related to investment for future growth, revenue-linked costs, etc.

Exchange rate at USD1 = JPY105

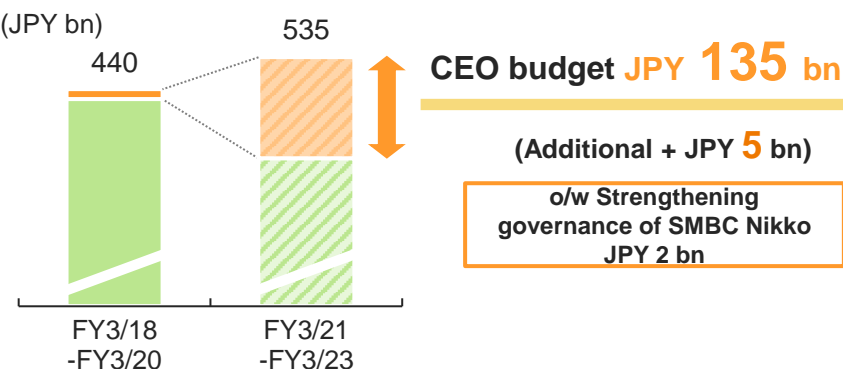
*2 Includes amortization of goodwill and intangible assets *3 Added the impact of group reorganization retrospectively

Headcount



IT investment

(JPY bn)



Cost Control

Achieved the reduction target of JPY100 bn ahead of schedule.

Pursue further reductions and allocate additional resources to strengthen resilience.

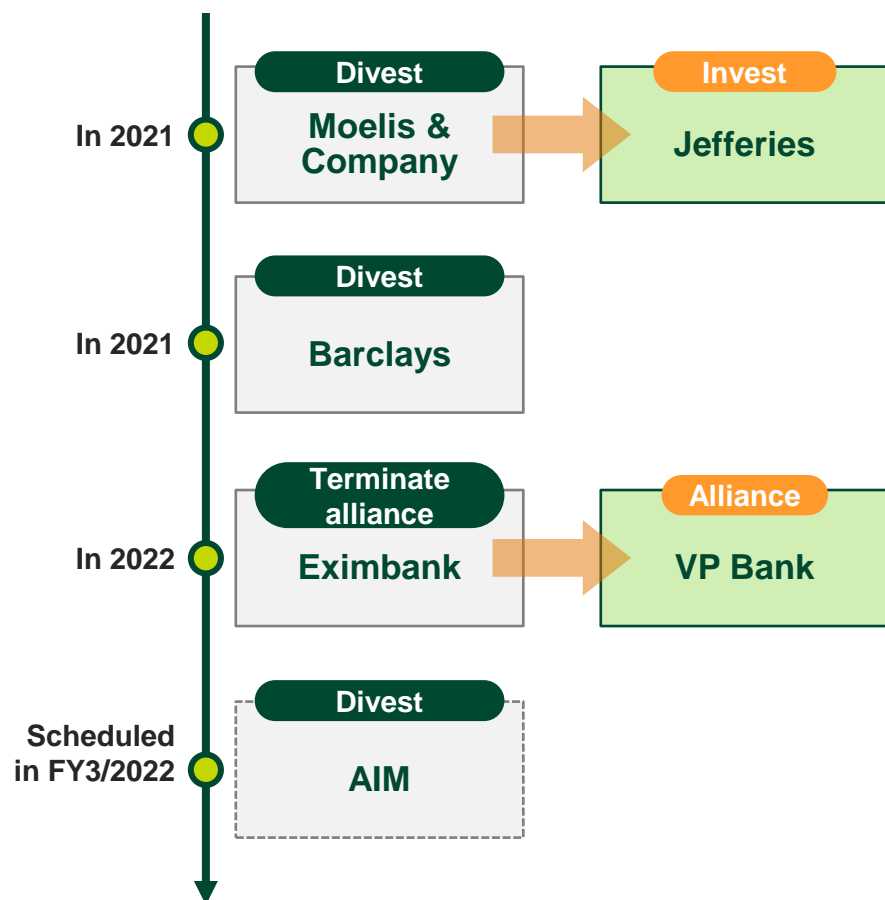
(upper: initial target / lower: results)

		Status of initiatives	Base expense	Workload
Reform of domestic business	Acceleration of digital shift	<ul style="list-style-type: none">● Digitalize and rationalize payment business● Reallocate workforce of domestic wholesale and wealth management businesses● Improve operating efficiency of headquarters	(50) bn (76) bn	(4.6)K people (5.05)K people
Retail branch reorganization		<ul style="list-style-type: none">● Realize cost reduction from shifting to smart branches completed ahead of schedule● Integrate branches and share ATM	(25) bn (26) bn	(2.2)K people (2.7)K people
Integration of group operations		<ul style="list-style-type: none">● Review of overseas expenses● Integrate functions of SMCC and SMBCFS● Share systems and review assets	(25) bn (41) bn	(1.2)K people (1.9)K people
Initial target			JPY (100) bn	(8.0)K people
Results in 3 years			JPY (143) bn	(9.65)K people

Asset control

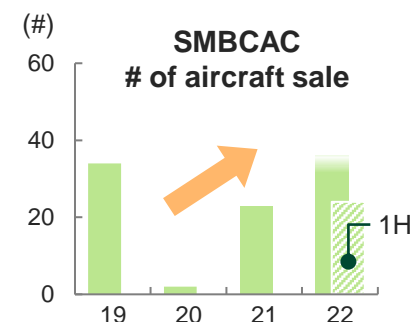
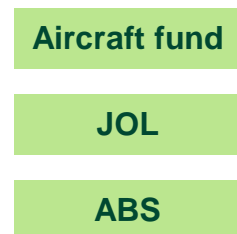
Sophisticate business portfolio management focusing on asset and capital efficiency.

Flexible review of assets and alliances

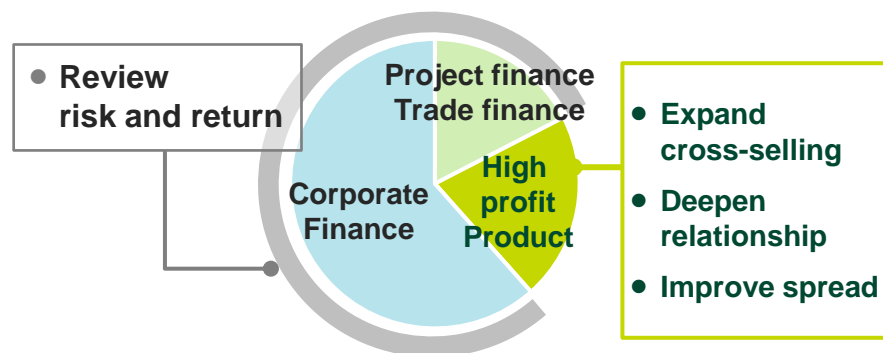


Aircraft leasing

- Strengthen asset turnover business through acquisition of Goshawk
- Maintain strong portfolio through sales of aircraft



Overseas loan portfolio

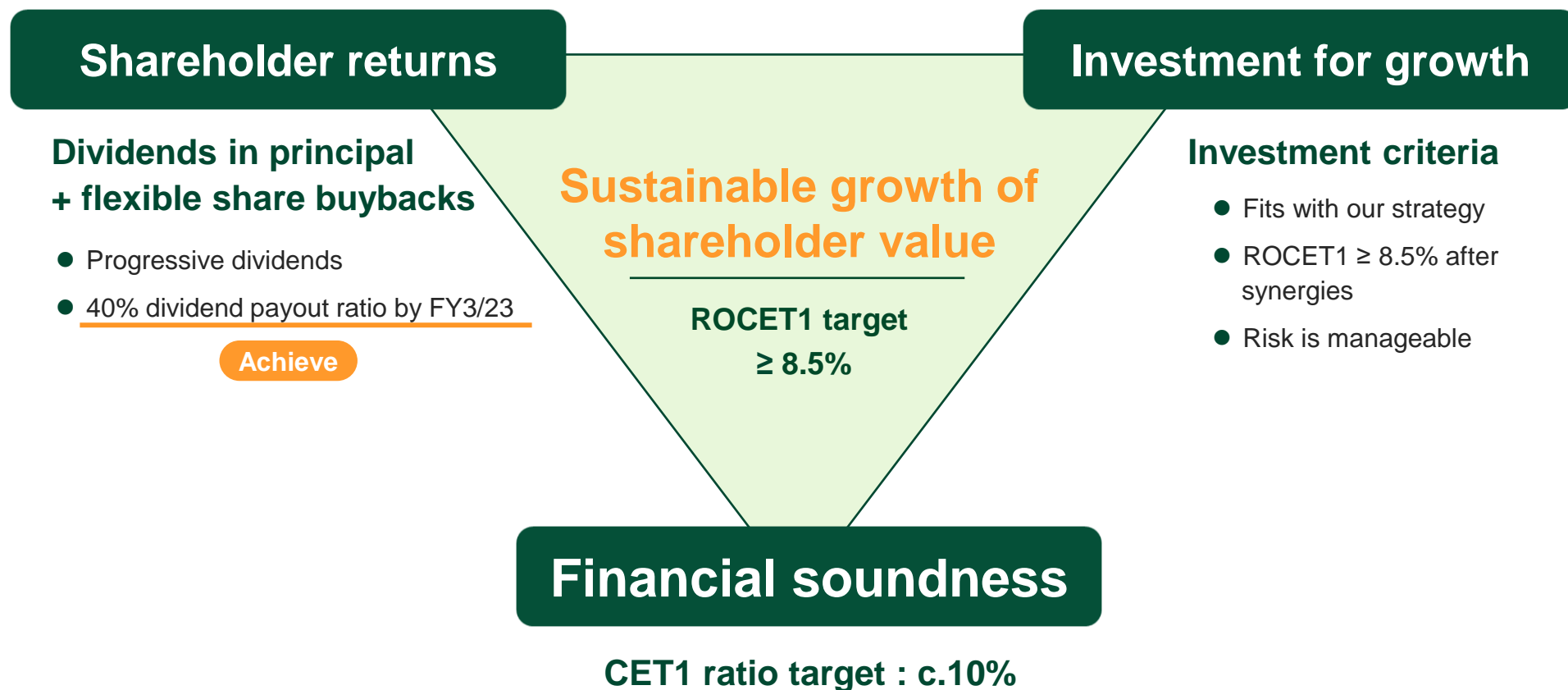




III. Capital Policy

Basic capital policy

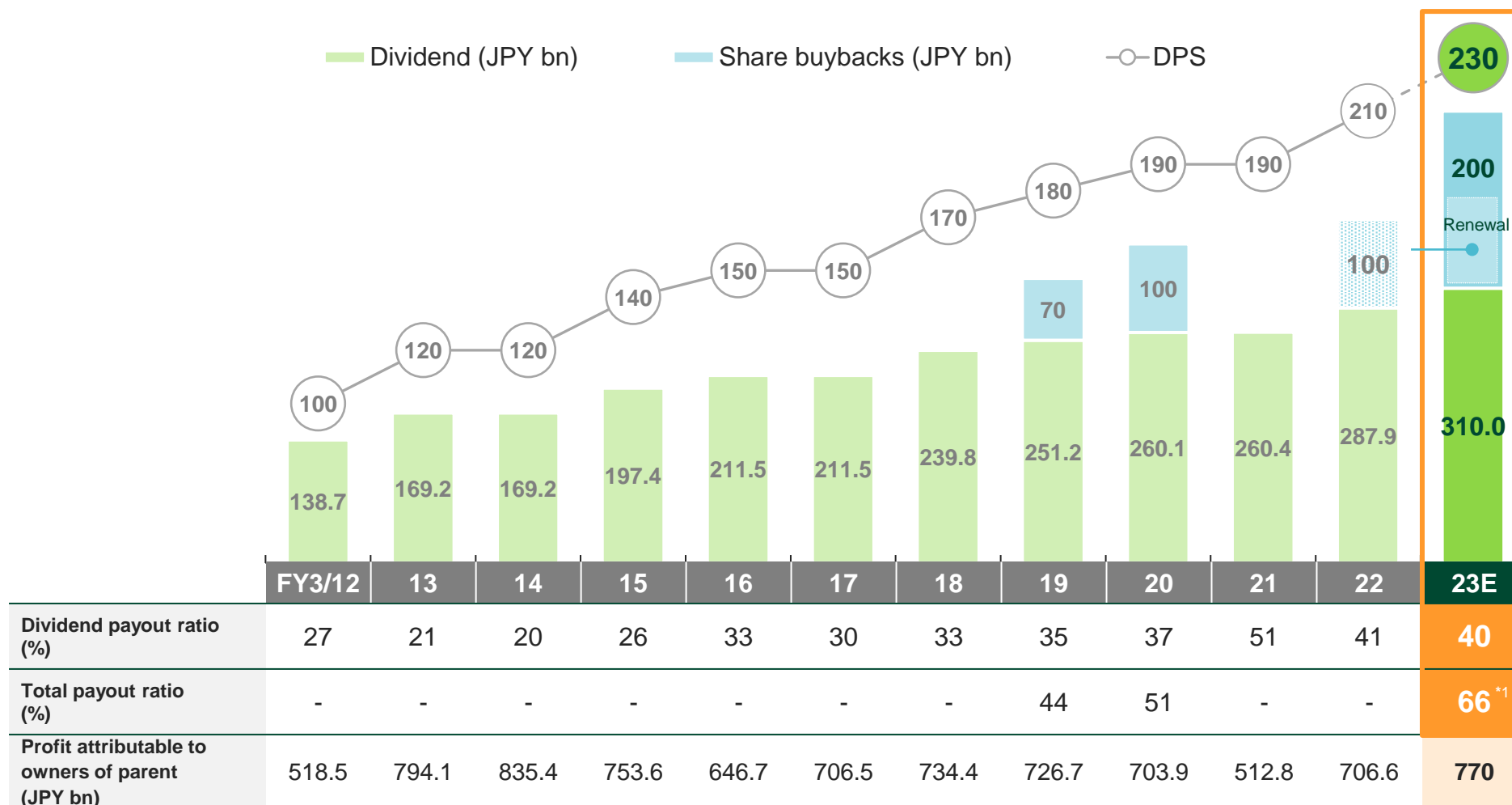
Achieve a healthy balance among securing financial soundness, enhancing shareholder returns, and investing for growth



Shareholder returns

Dividends : JPY 230 (+20 YoY, +10 vs. initial forecast)

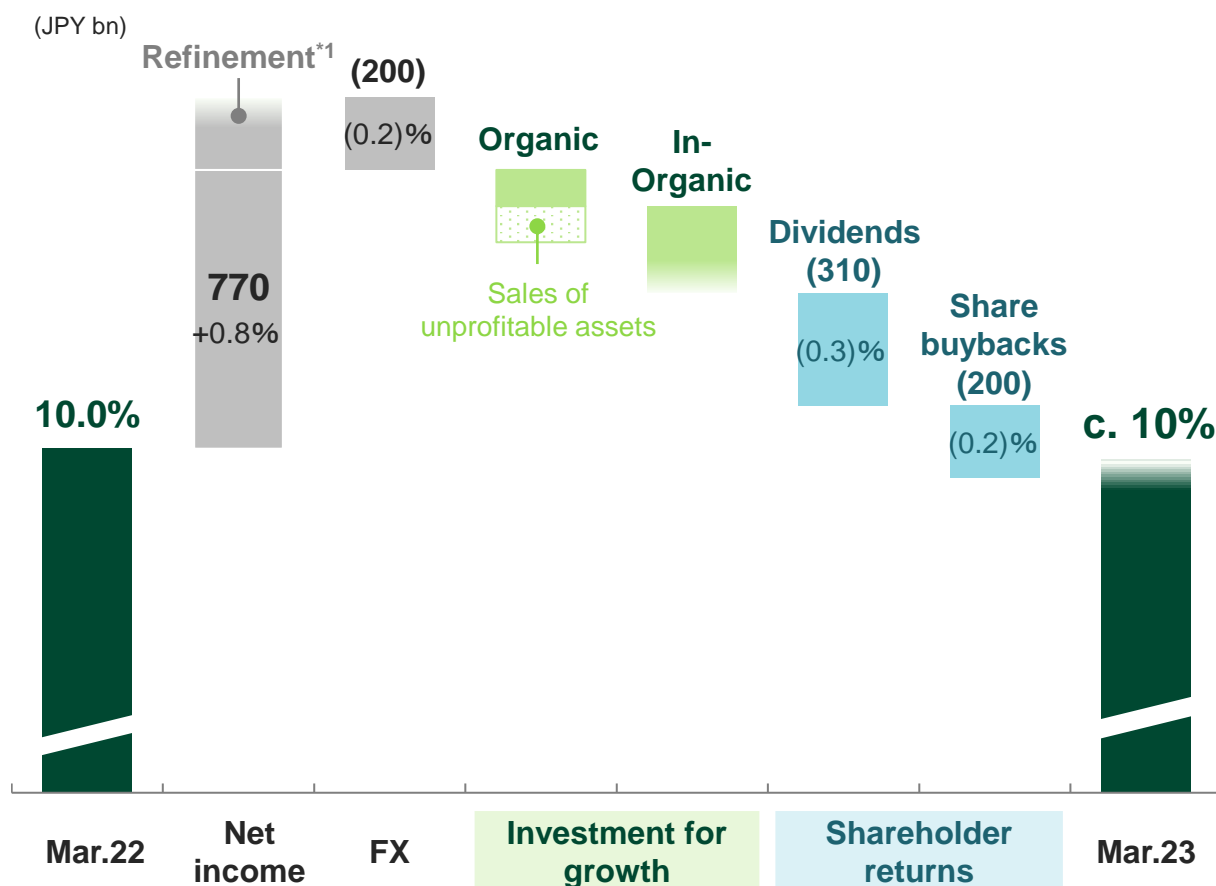
Share buyback : Up to JPY 200 bn, all shares to be cancelled (of which 100 is renewal of the FY3/22 program.)



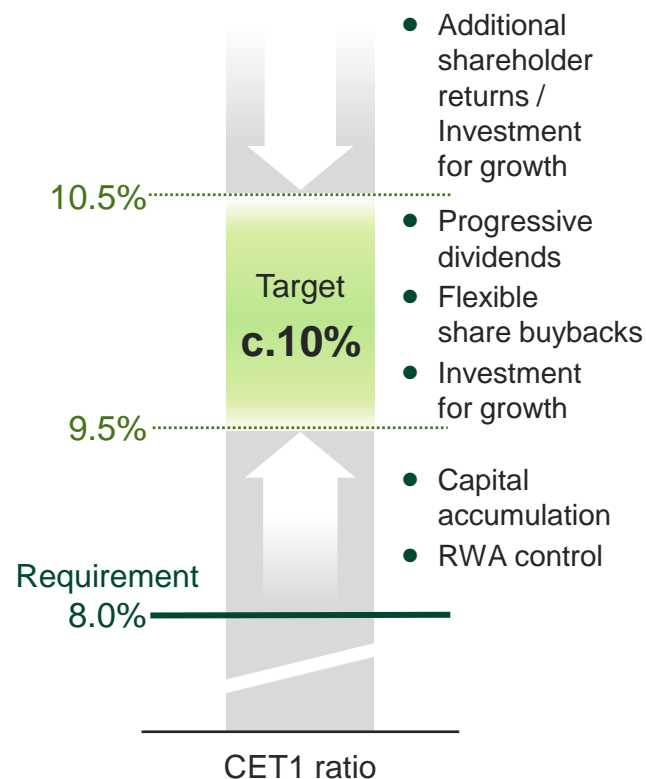
^{*1} Total payout ratio would have been 55% in FY3/22 and 53% in FY3/23 if JPY100 bn of announced share buyback had been executed as planned.

Capital Allocation

Expect to maintain CET1 ratio at around 10% even after investments for growth and shareholder returns.

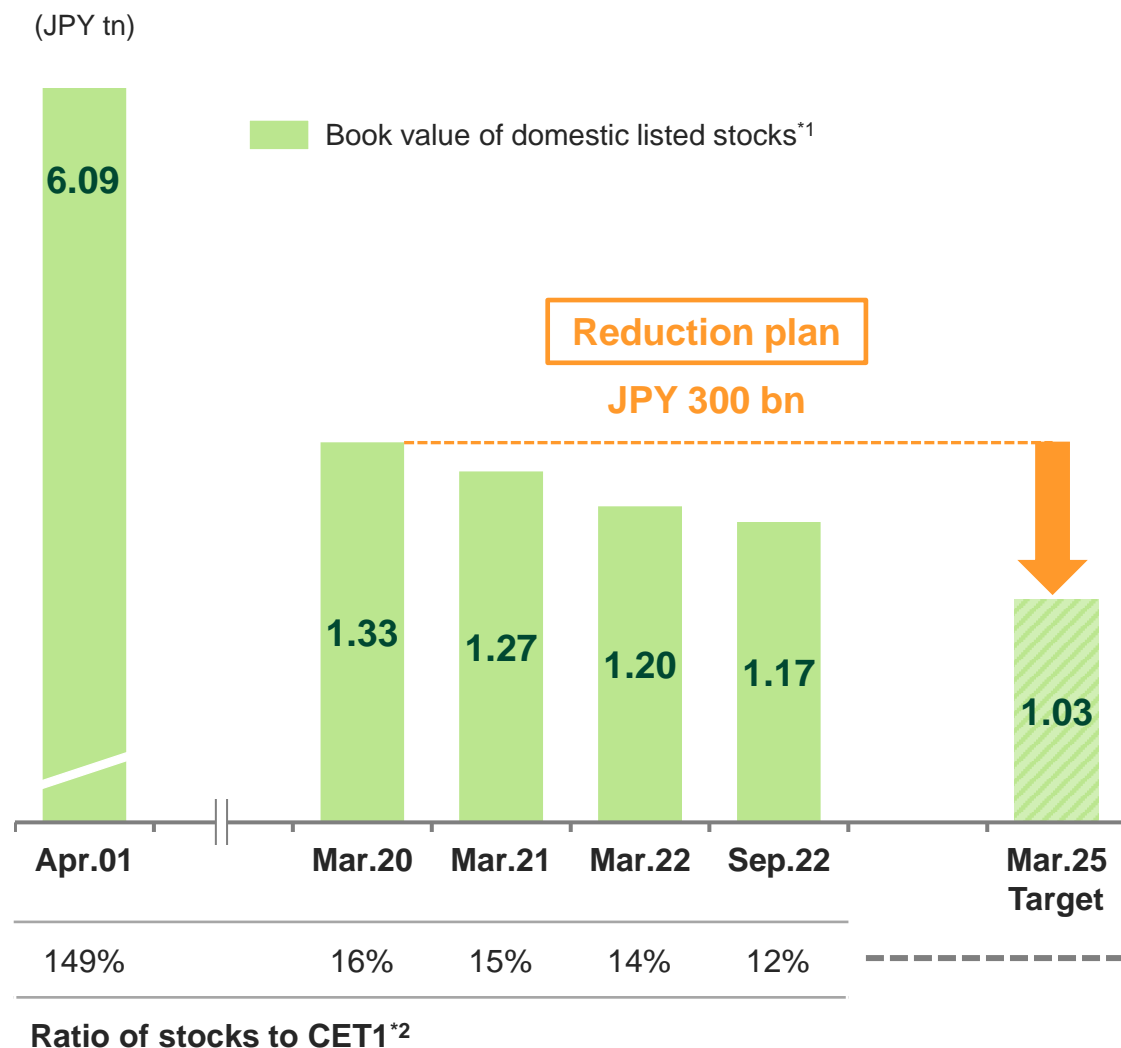


CET1 ratio target



*1 Revision of double-gearing calculation method for investment to financial institutions, etc.

Reduction of shareholdings



Reduction

Amount of reduction	JPY 152 bn
FY3/21	JPY 55 bn
FY3/22	JPY 67 bn
1H FY3/23	JPY 30 bn
Consent of sales	JPY 66 bn
Total	JPY 219 bn

*1 Excl. investments after Mar.20 for the business alliance purpose

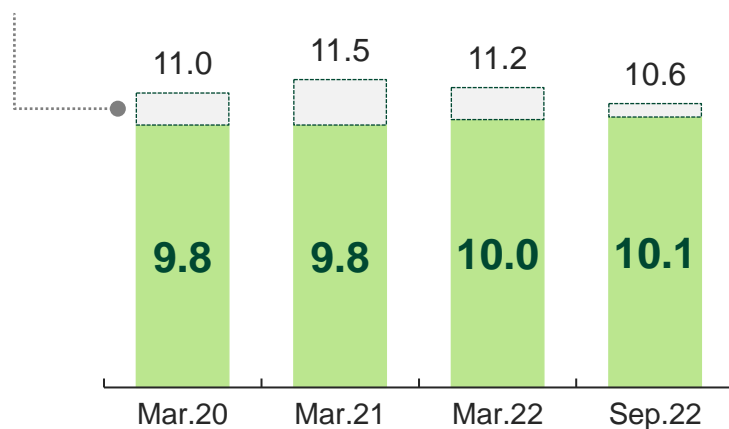
*2 Basel III fully-loaded basis, excl. net unrealized gains on other securities

(Ref.) CET1 Ratio

Post-Basel III (financial target)

(%)

Net unrealized gains on other securities

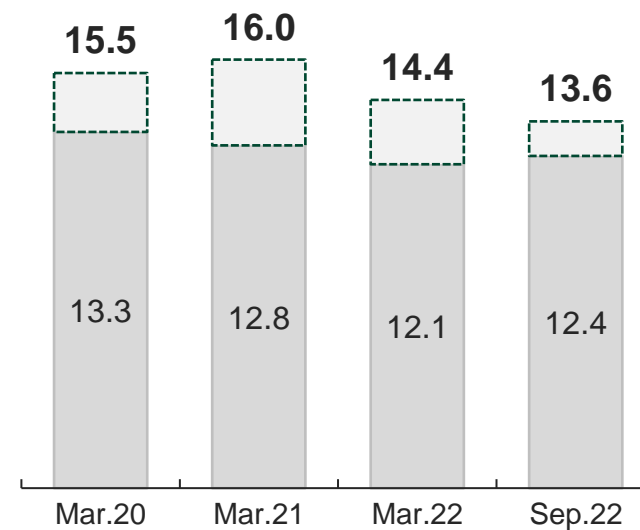


(JPY tn)

RWA	83.5	86.4	88.2	96.1
CET1 Capital	8.2	8.5	8.8	9.7

Basel III fully-loaded basis

(%)



(JPY tn)

61.6	66.0	72.4	78.0
9.6	10.6	10.5	10.7



IV. Challenges for the future

Toward the Next Medium-Term Management Plan

Aim for growth with quality

**Growth strategy to improve
capital efficiency**

**Sophisticated
management base**

Social value

Be a strong team

**Each member
is strong**



Producing new CEOs



Diversity & Inclusion

**All members
share the same goal**



CEO seminar / Town hall meeting



1on1 meeting

**Everyone prioritizes
team play**



SMBC Group Awards



Exchange thoughts in SNS

Team SMBC



Appendix

Company overview (1) Group structure

Sumitomo Mitsui Financial Group

Consolidated total assets JPY 272 tn

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

Consumer Finance

Sumitomo Mitsui Card

(74.9%)

Fullerton India

SMBC Consumer Finance

(49%)

FE Credit

Leasing

(50%)

Sumitomo Mitsui Finance and Leasing

(SMBC 32%, SMFL 68%)

SMBC Aviation Capital

Consolidated subsidiary Equity-method affiliate

Banking

Sumitomo Mitsui Banking Corporation

Moody's	S&P	Fitch
A1	A	A

SMBC Trust Bank

(92%)

PT Bank BTPN Tbk

Securities

SMBC Nikko Securities

Others

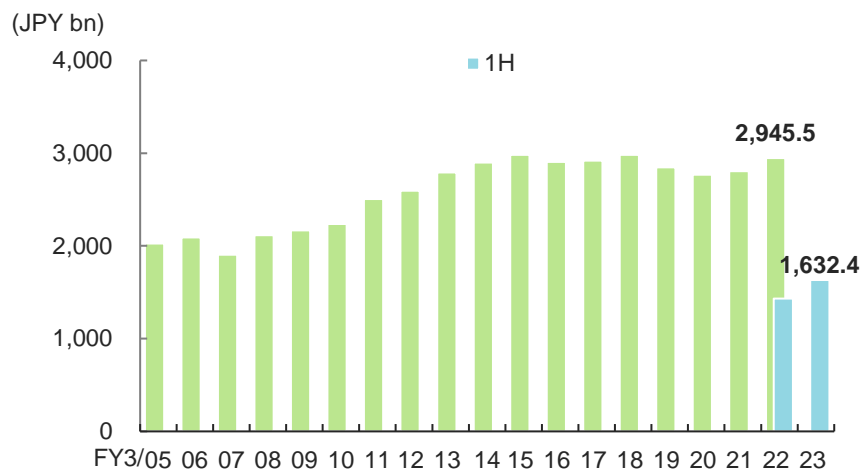
(50.1%)

Japan Research Institute

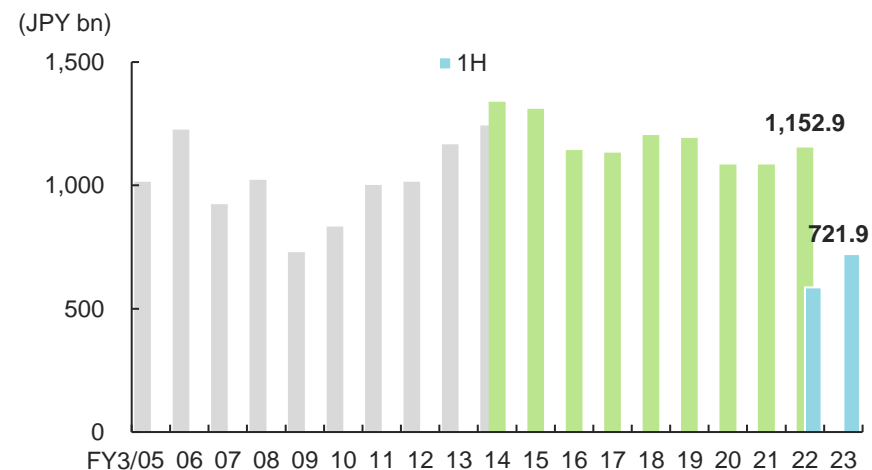
Sumitomo Mitsui DS Asset Management

Company overview (2) Long-term results

Consolidated gross profit



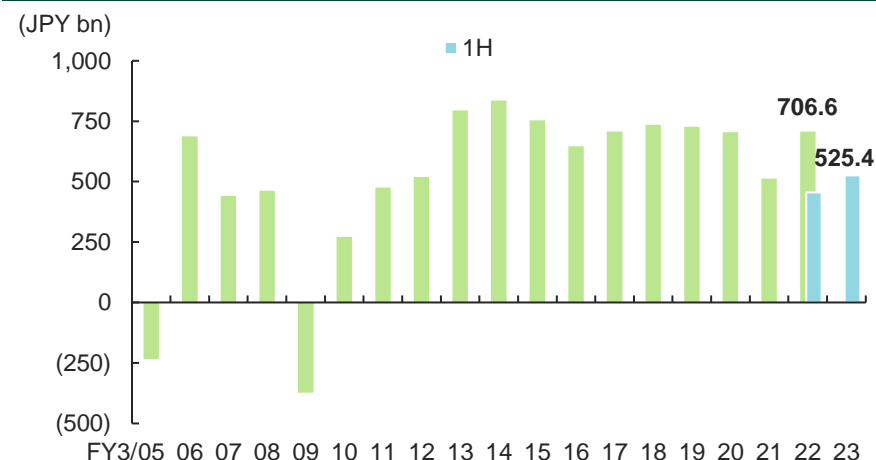
Consolidated net business profit*1



Breakdown of consolidated gross profit

	FY3/03		1H FY3/23
SMBC's domestic loan / deposit related	35%	↘	13%
International business (banking)	5%	↗	32%
Group companies excluding SMBC	18%	↗	31%

Profit attributable to owners of parent



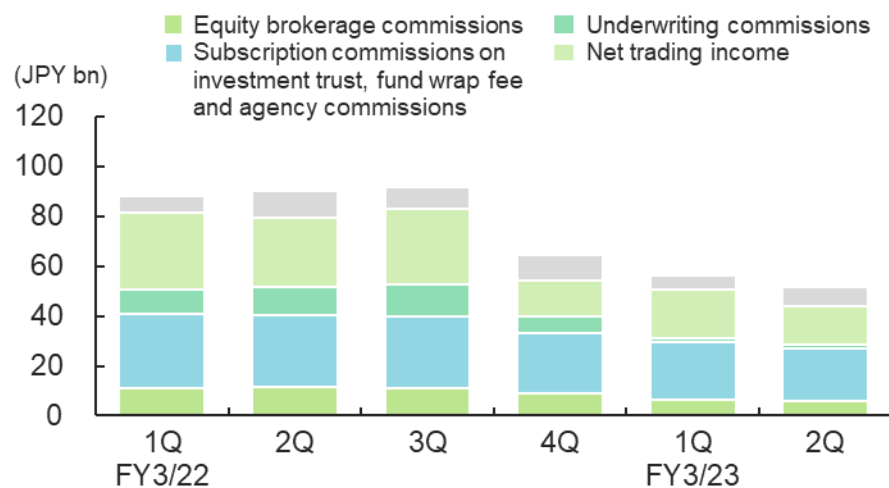
*1 Changed definition of consolidated net business profit from FY3/15. Adjusted retrospectively for FY3/14

Group companies (1) SMBC Nikko

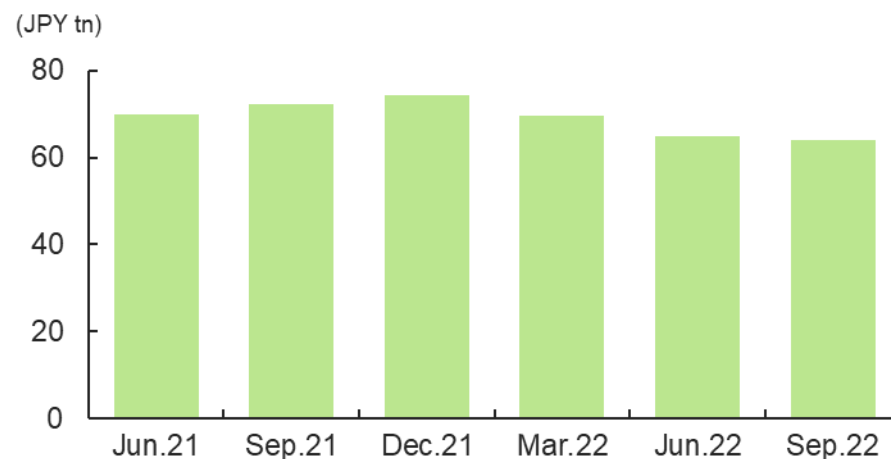
Financial results

(JPY bn)	FY3/22	1H FY3/23	YoY
Net operating revenue	334.2	107.7	(70.6)
SG&A expenses	275.4	127.4	(10.8)
Ordinary income	65.3	(18.1)	(61.9)
Net income	49.7	(9.4)	(42.0)

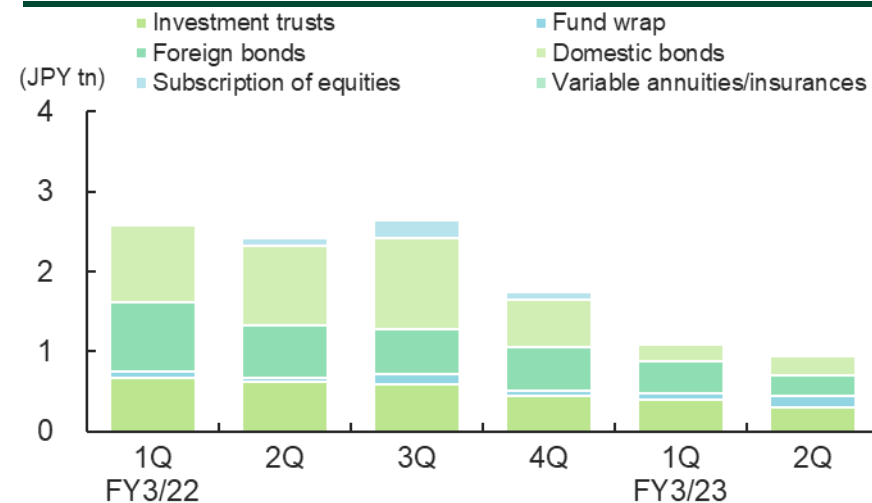
Net operating revenue



Client assets



Product sales



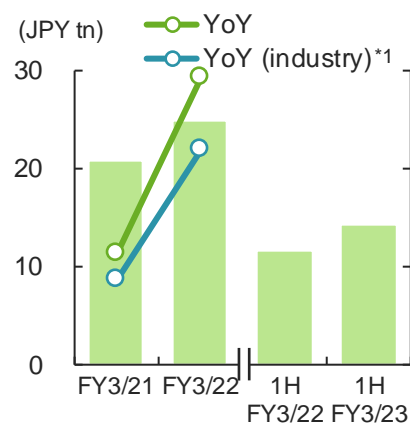
Group companies (2) SMCC

Financial results

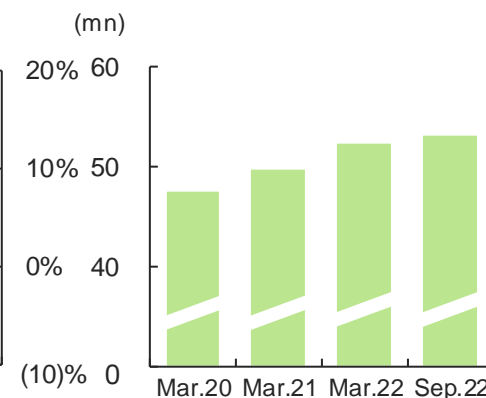
(JPY bn)	FY3/22	1H FY3/23	YoY
Operating revenue	470.5	250.9	+23.9
o/w Commission fee	164.0	92.0	+14.9
Finance	98.2	50.6	+1.6
Sales on credit	29.5	14.2	(0.9)
Receipt agency	50.1	25.6	+0.6
Operating expense	439.5	229.1	+22.3
o/w Expenses for loan losses	25.6	15.4	+3.8
Expense for interest repayments	10.0	-	-
Ordinary profit (loss)	34.1	21.6	(1.6)
Net income	19.8	14.8	+0.0
Finance outstanding	677.9	703.1	

Key figures

Sales handled

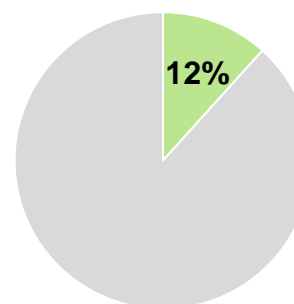


of card holders

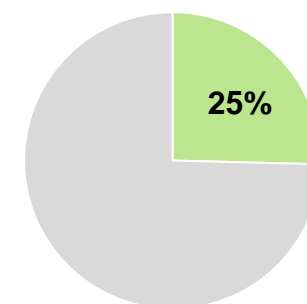


Market share*2

Issuing



Acquiring



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

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

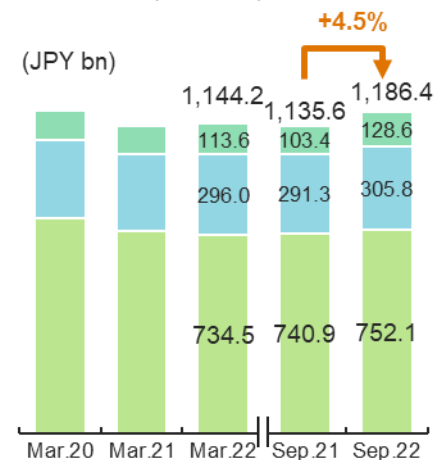
Group companies (3) SMBCCF

Financial results

(JPY bn)	FY3/22	1H FY3/23	YoY ^{*1}
Operating income	268.9	146.7	+11.8
o/w Interest revenues	176.7	91.3	+2.6
Loan guarantee revenues	57.1	35.3	+6.7
Operating expenses	200.5	100.3	+4.8
o/w Expenses for loan losses	48.7	35.5	+2.5
Expense for loan guarantees	10.8	2.0	(0.8)
Expenses for interest repayments	22.0	-	-
Ordinary profit	68.6	42.1	+2.6
Net income	85.2	31.9	(0.2)
NPLs	96.1	103.8	
(NPL ratio)	8.40%	8.75%	
Allowance on interest repayments (provision)	95.9	84.0	
	3.5 yrs	3.1 yrs	

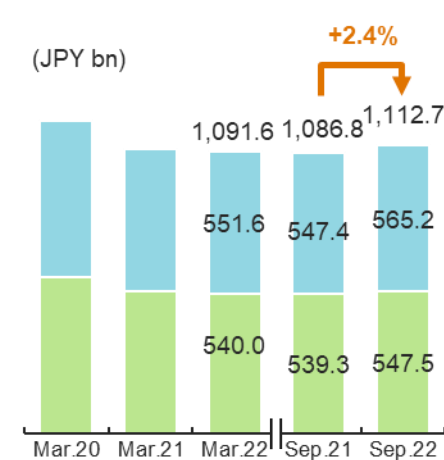
Consumer loans

■ Promise (overseas) ■ Mobit ■ Promise



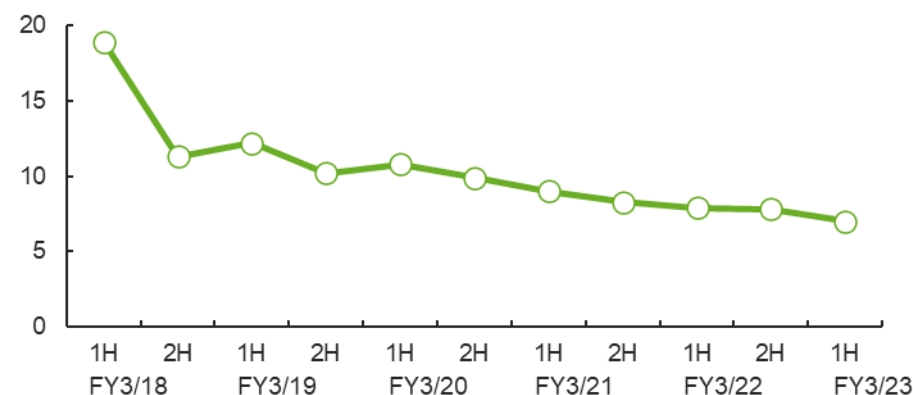
Loan guarantee

■ SMBC ■ Others



No. of interest refund claims

(Thousand)

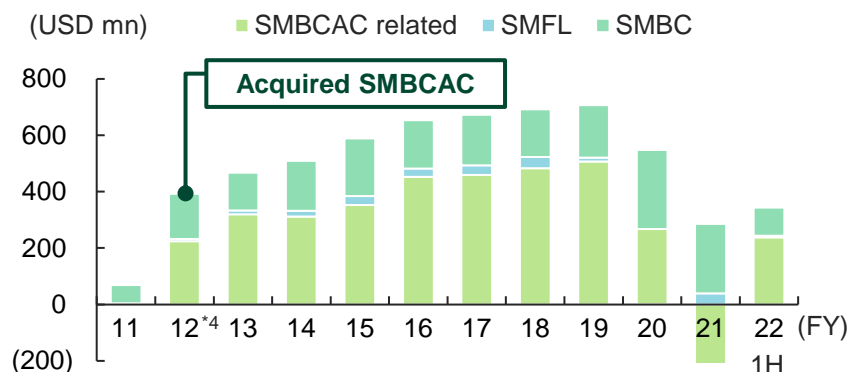


Group companies (4) SMBCAC

Financial results

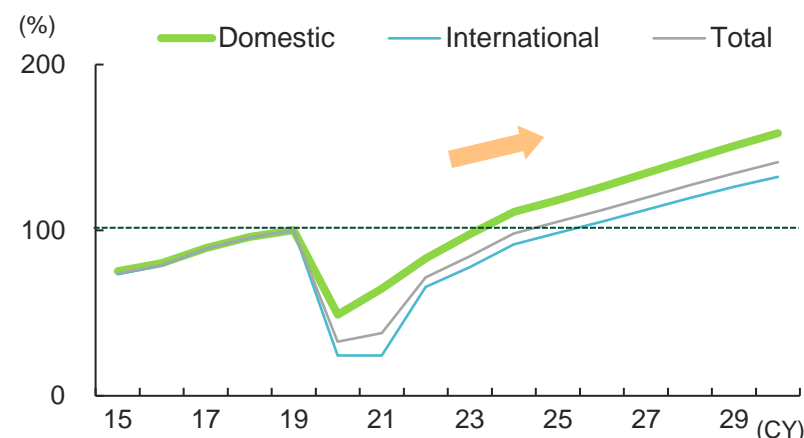
(USD mn)	FY3/22	1H FY3/23	YoY
Total revenue	1,479	627	+2
o/w Lease revenue	1,366	599	(4)
Credit / Asset impairment charges*1	907	39	(31)
Net income	(283)	105	+21
Aircraft asset*2	16,210	17,217	+868
Net asset	3,322	3,427	+61
ROE	(8.5)%	3.1%	+0.6%

Aircraft business of SMBC Group



Global passenger demand forecast*3

- Domestic demand is expected to exceed pre-COVID level in around 2023



Our strengths

Aircraft portfolio	Wide body (A350・B787)	Avg. age 4.4 years
	Narrow body Over 85%	Fuel efficient*5 Approx. 70%
Liquidity	S&P rating A- No.1 in Industry	Undrawn commitment lines USD 9.0 bn

*1 Gross before security deposit and other net *2 Includes PDP (prepaid aircraft manufacturing)

*3 IATA/Tourism Economics Percentage change in each year when the 19-year result is set at 100

*4 SMBCAC-related revenues are recorded from June after acquisition *5 Neo/MAX/A350/B787

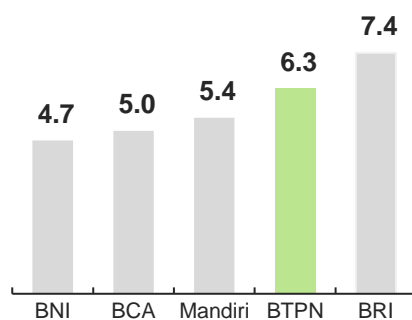
Group companies (5) BTPN

Financial results^{*1}

(JPY bn)	2019	2020	2021	Jan.-Sep. 2022
Gross banking profit	99.6	91.1	106.2	96.7
Operating expenses	56.3	50.9	56.6	50.1
Net profit	20.3	12.9	21.6	23.0
ROE	9.9%	6.1%	8.6%	9.6%
Loans	1,119.9	1,008.0	1,098.4	1,476.6
Deposits	686.8	745.8	886.0	986.9
Total assets	1,434.9	1,355.4	1,554.5	1,899.3

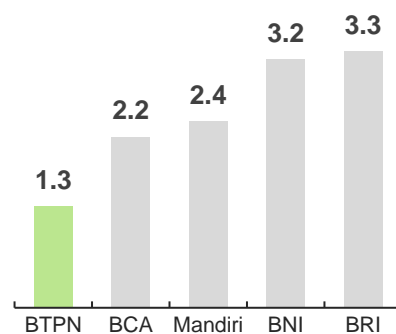
Net interest margin^{*2}

(%)

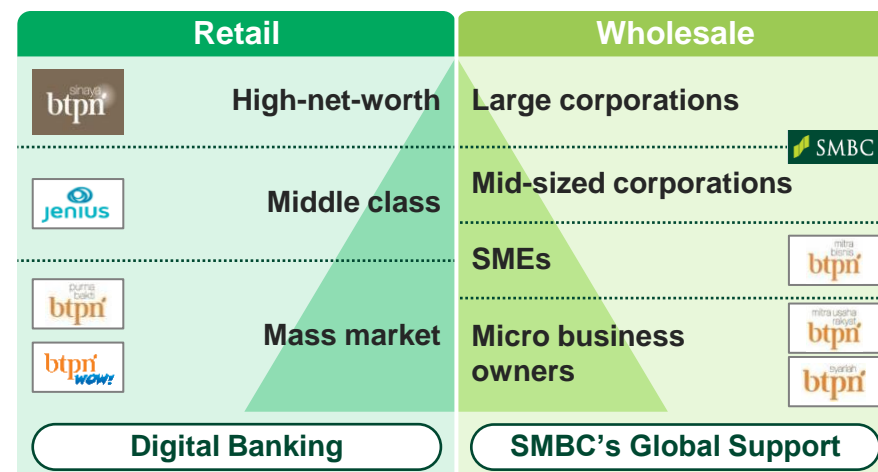


NPL ratio^{*2}

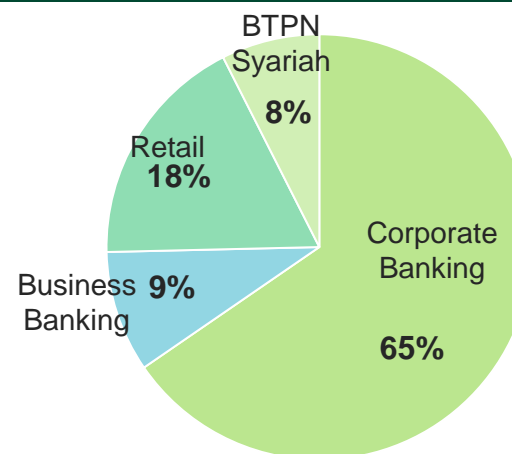
(%)



Coverage



Loan breakdown^{*3}



^{*1} TTM as of Dec.19: IDR 1 = 0.0079, Dec.20: IDR 1 = 0.0074, Dec.21: IDR 1 = 0.0081, Sep.22: IDR 1 = 0.0095

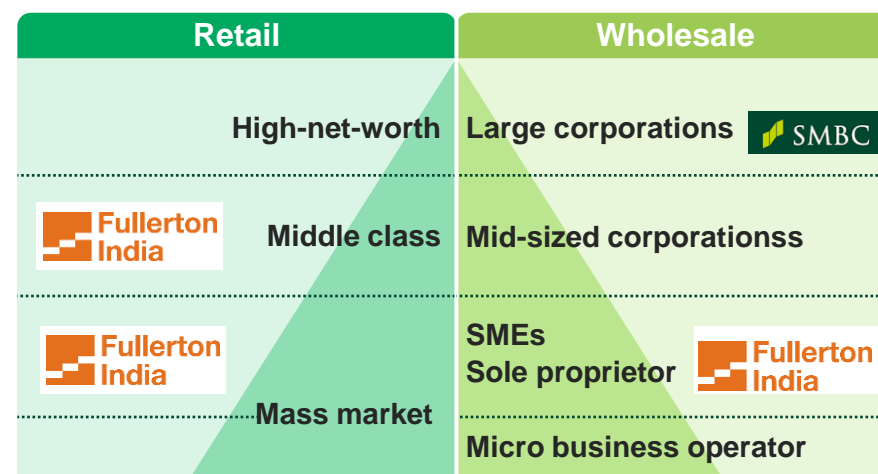
^{*2} Based on each company's disclosure (Jun.22 results) ^{*3} As of Jun.22

Group companies (6) Fullerton India

Financial results*¹

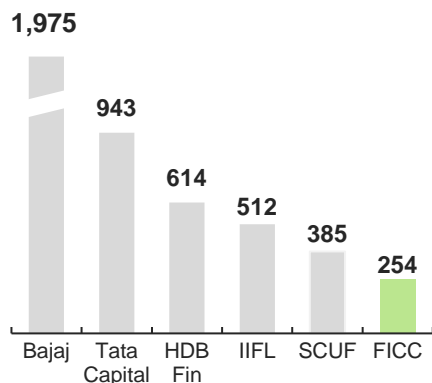
(JPY bn)	FY3/20	FY3/21	FY3/22	1H FY3/23* ²
Gross operating profit	52.2	48.1	40.8	27.9
Operating expenses	19.1	18.0	23.5	15.8
Net profit	11.0	(18.3)	1.2	5.4
ROE	18%	(24)%	2%	13%
Loans	419.1	378.2	411.4	543.9
Total assets	473.6	419.3	441.4	609.4

Coverage



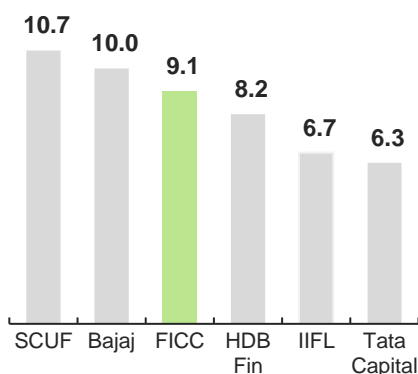
Loan balance*³

(INR bn)

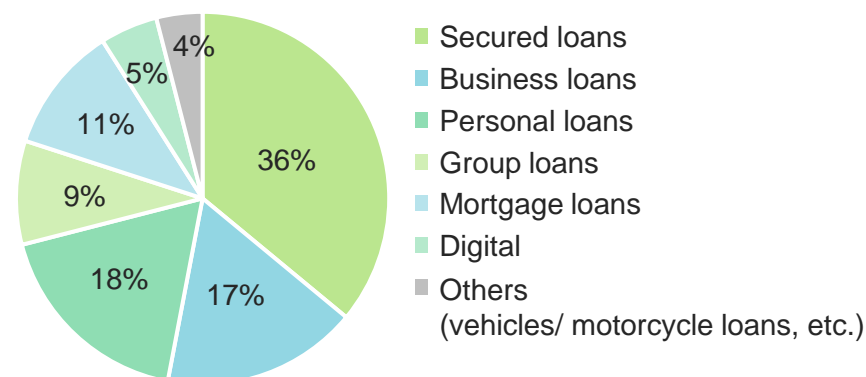


Loan spread*³

(%)



Loan breakdown*⁴



*1 TTM as of Mar.20: INR 1 = 1.44, Mar.21: INR 1 = 1.51, Mar.22: INR 1 = 1.62, Sep.22: INR 1 = 1.78

*2 Unaudited *3 Based on each company's published data (Mar.22 results) *4 As of Mar.22

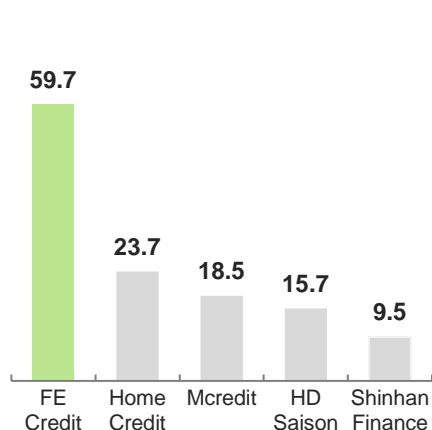
Group companies (7) FE Credit

Financial results*¹

(JPY bn)	2019	2020	2021	Jan-Jun 2022
Gross operating profit	85.3	78.4	76.6	46.9
Operating expenses	2.7	2.3	2.3	1.7
Net profit	16.9	13.4	1.6	0.8
ROE	28.7%	21.2%	2.0%	1.8%
Loans	284.8	297.2	377.1	442.6
Total assets	332.0	330.3	389.0	471.8

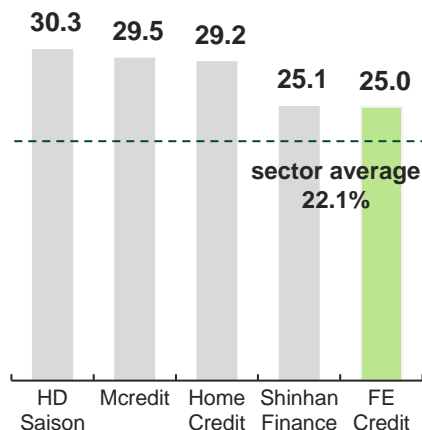
Loan balance*²

(VND tn)

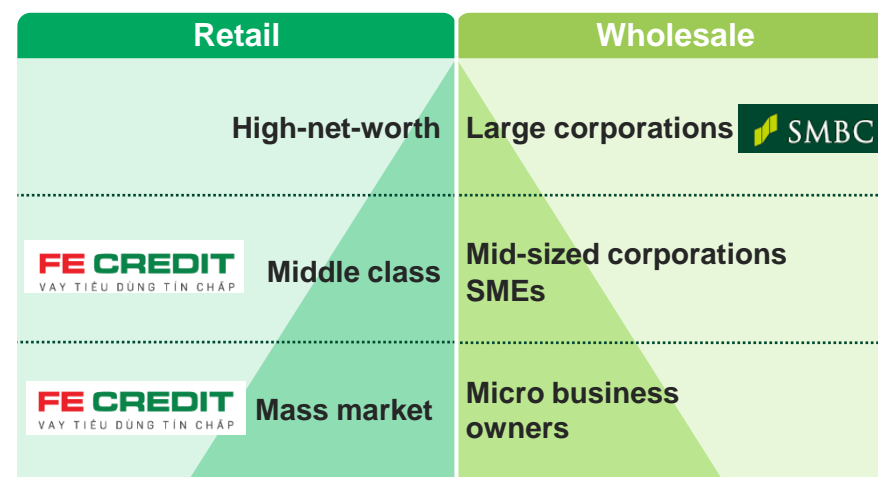


Loan spread*²

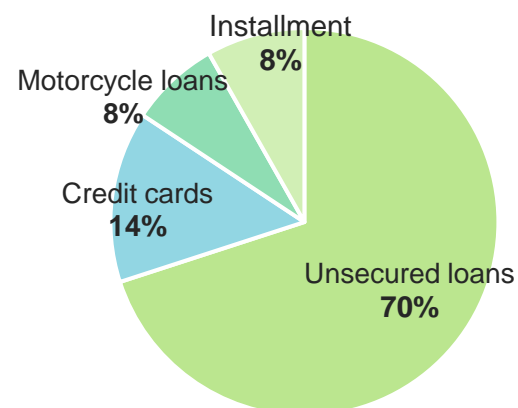
(%)



Coverage



Loan breakdown*²

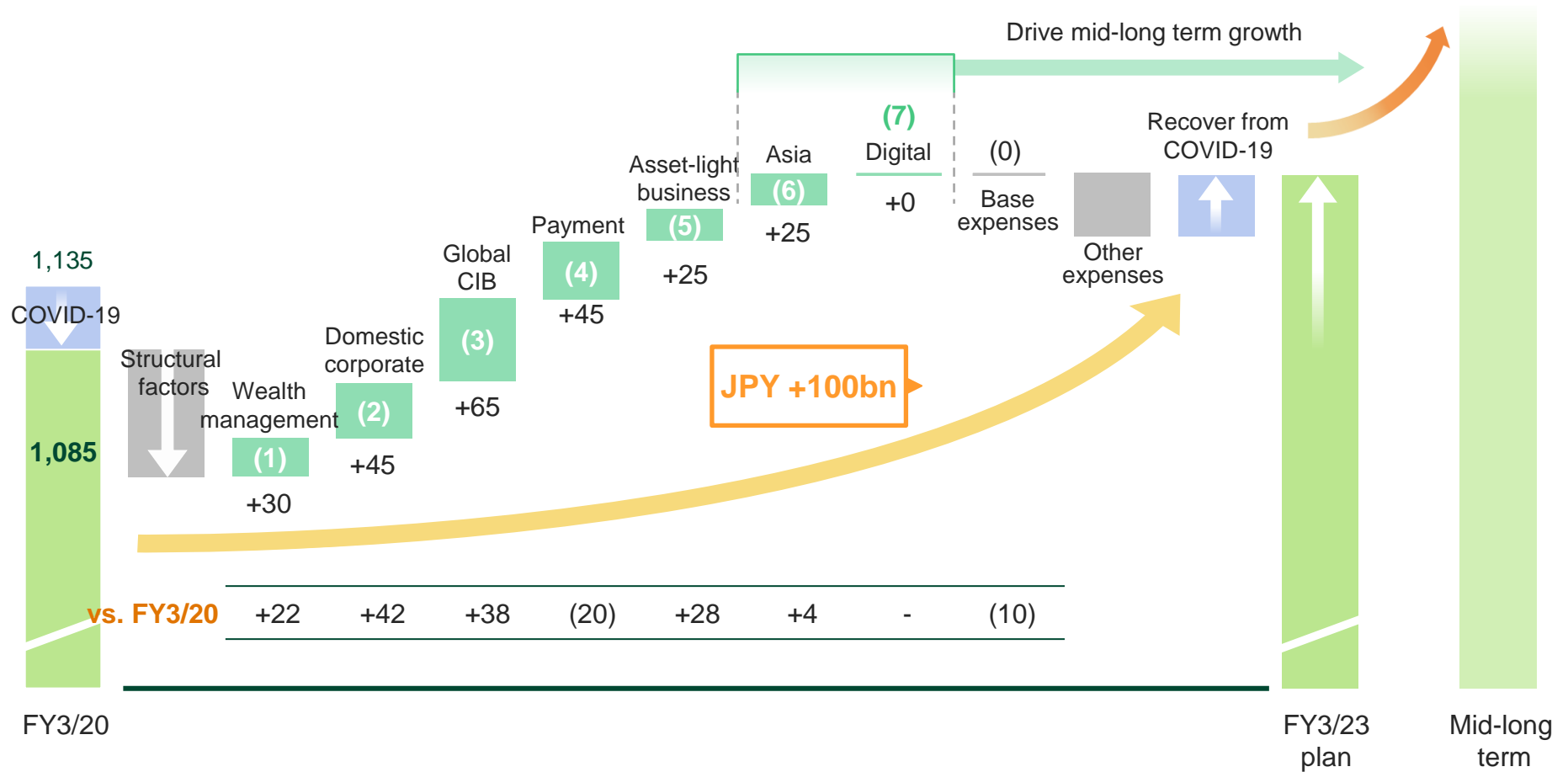


*1 TTM as of Dec.19: VND 1 = 0.0047, Dec.20: VND 1 = 0.0045, Dec.21: VND 1 = 0.0050, Jun.22: VND 1 = 0.0059

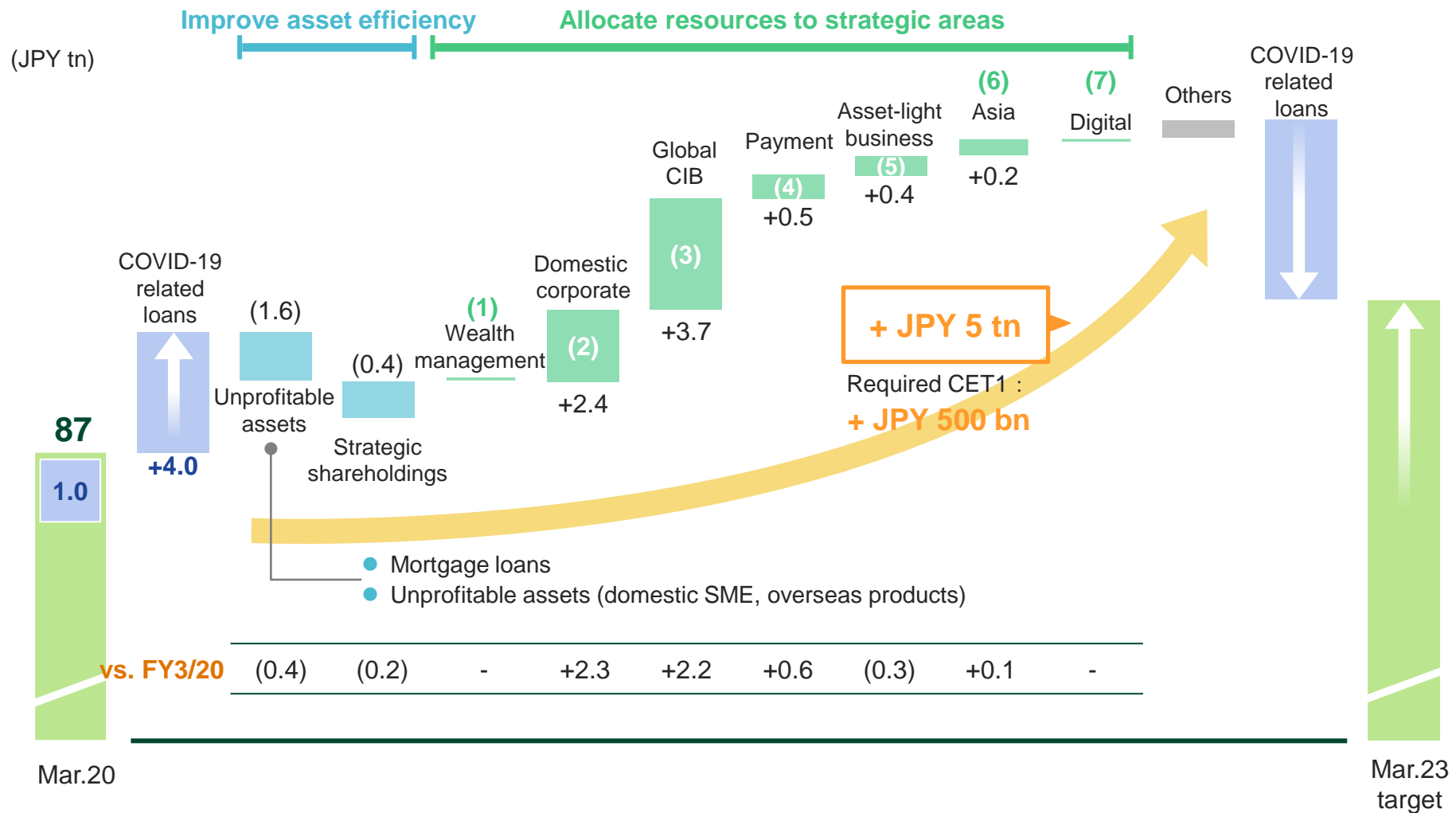
*2 Based on FiinGroup data (Jun.22 results)

Roadmap to 2022 (1) Profit

(JPY bn)

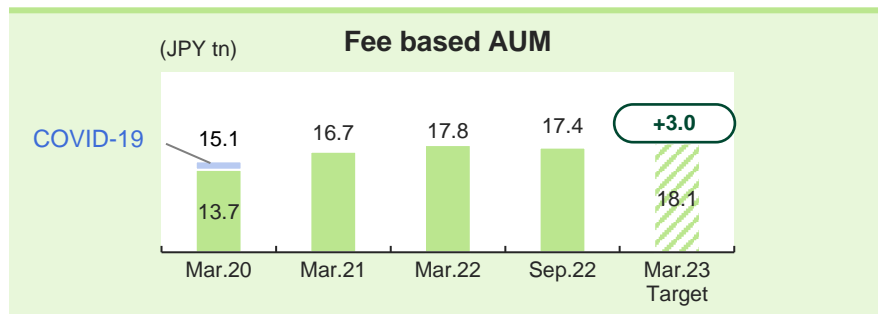


Roadmap to 2022 (2) RWA

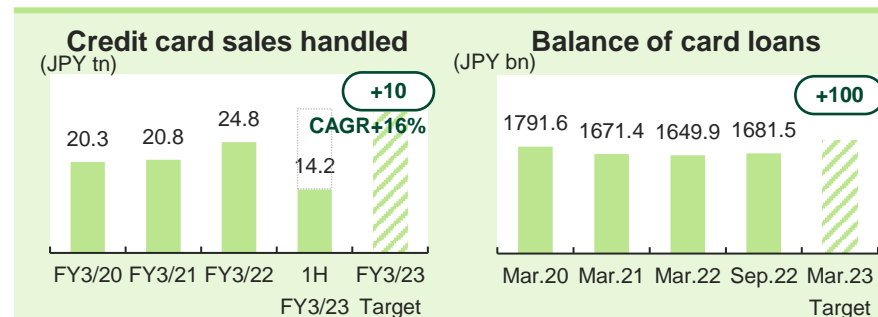


Roadmap to 2022 (3) KPI Progress

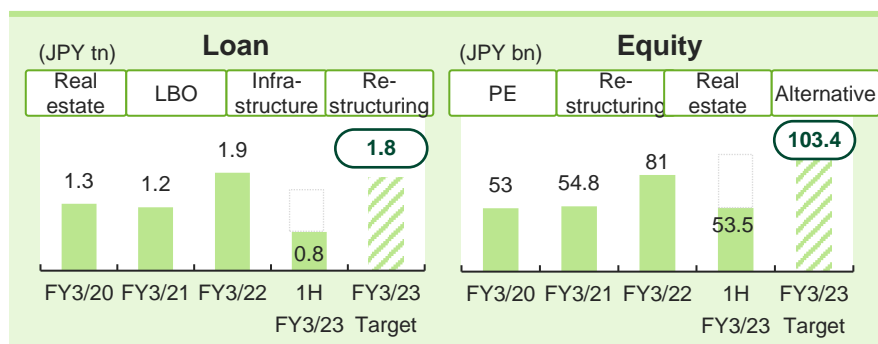
Wealth management business



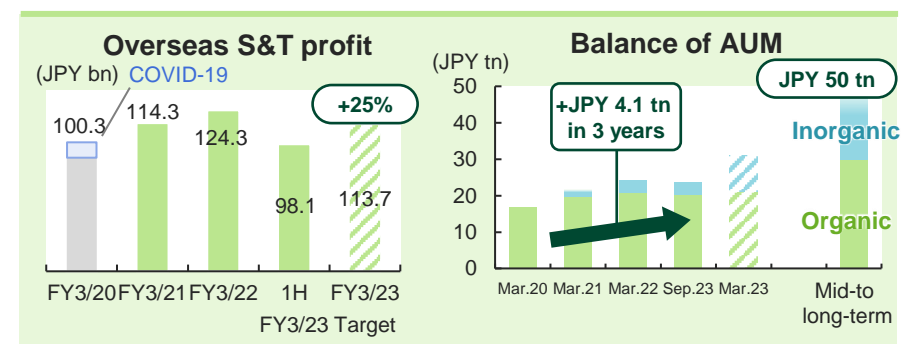
Payment business



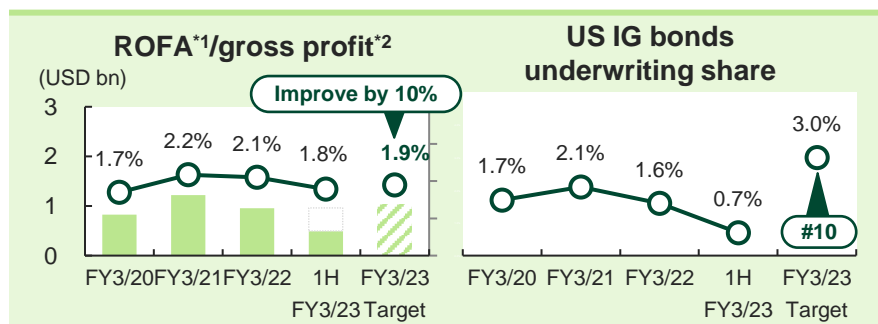
Domestic wholesale business



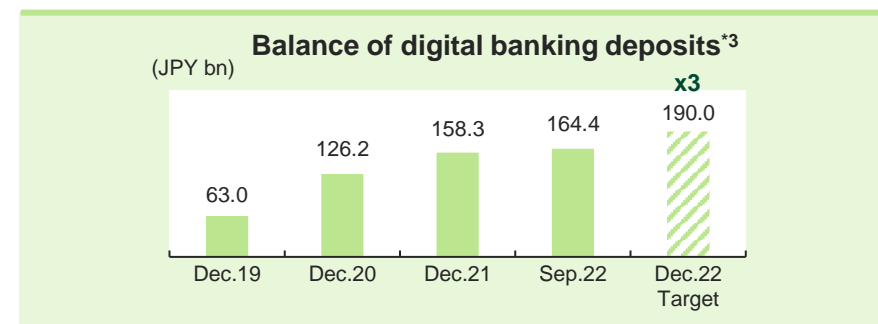
Asset-light business



Overseas CIB business

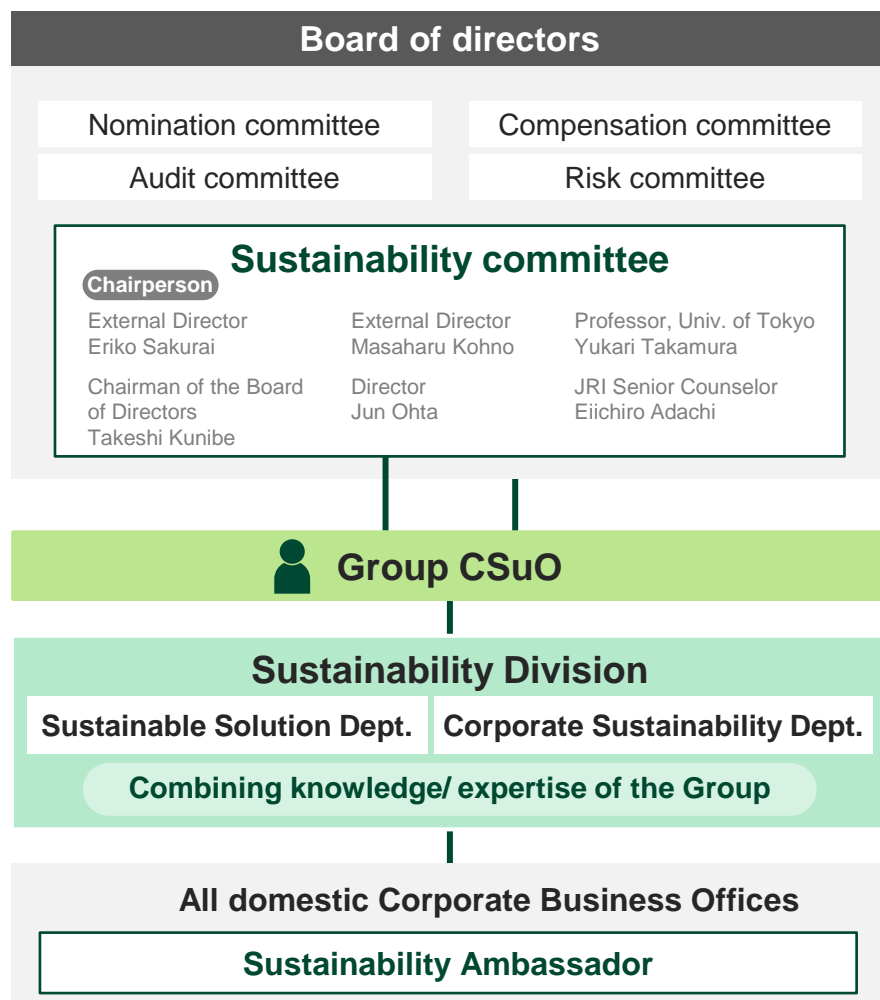


Multi-franchise strategy in Asia



ESG (1) Sustainability management structure

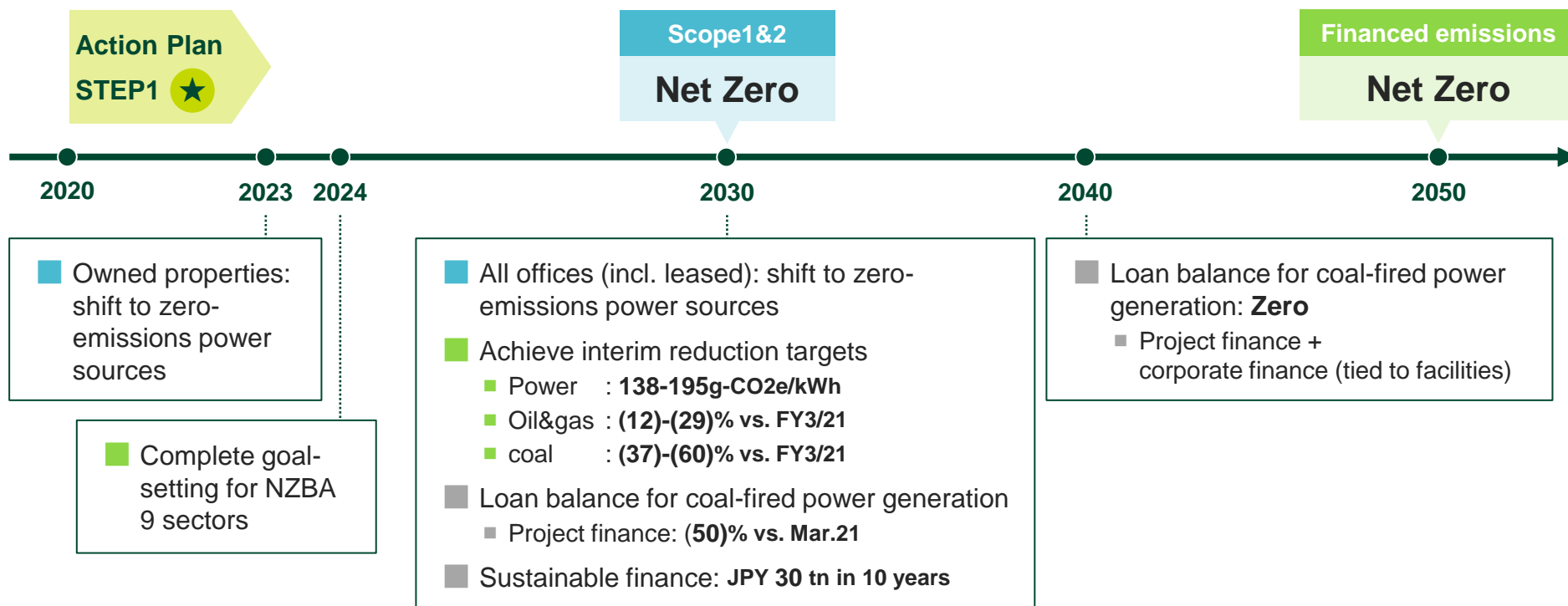
Management structure



Reflection of ESG in executive compensation

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

ESG (2) Net Zero Transition Plan



Expanding growth opportunities associated with mitigating transition risks and decarbonization

System developments	Goal-setting	Implementation strategy	Engagement
<ul style="list-style-type: none"> ★ Strengthen governance ● Capability-building 	<ul style="list-style-type: none"> ★ Calculation of financed emissions and setting reduction targets 	<ul style="list-style-type: none"> ★ Strengthen risk management ★ Promote decarbonization business ★ Reduce scope1&2 emissions 	<ul style="list-style-type: none"> ● Customer approach ● Response to other stakeholders

ESG (3) Response to Environmental and Social Risks

Climate change risk scenario analysis

Physical risk

Aug. 22 SSP scenario*¹ analysis newly added

IPCC*²/RCP*³

IPCC/SSP

2°C and 4°C scenario

Expected increase in credit cost (up to 2050)

Cumulative
JPY 55-65 bn



JPY 67-85 bn

Transition risk

Apr. 22 Steel and automotive sectors newly added to the transition risk scenario analysis

Energy

Power

Automotive

Steel

1.5°C and 3°C scenarios

Expected increase in credit cost (up to 2050)

JPY 2-24 bn annual



JPY 2.5-28 bn annual

Effort for new issues

Respect for Human Rights

Statement on Human Rights

Employees

Customers

Suppliers

Oct. 22

Human rights
due diligence

Apr. 22

Sustainable
Procurement Policy

Conservation of natural capital

Risk Management

- Prohibit support for new projects in nature conservation areas
- Conduct environmental and social risk assessments when financing large-scale projects

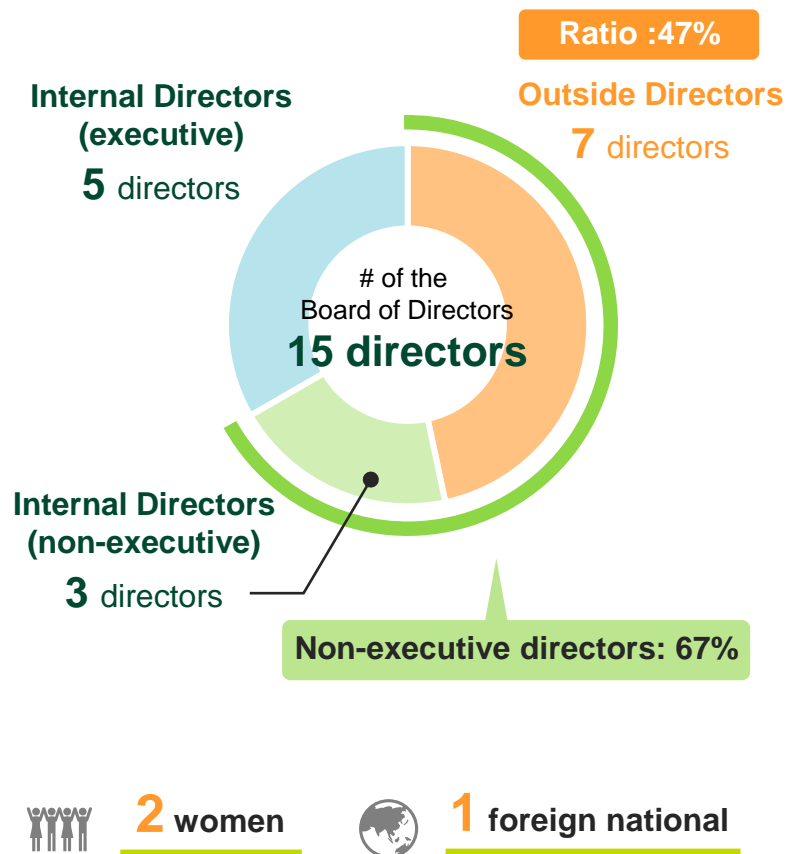
Disclosure

- Participate in TNFD*⁴ Forum

*1 Common socio-economic path scenario (Shared Socioeconomic Pathway) *2 Intergovernmental Panel on Climate Change (Intergovernmental Panel on Climate Change) *3 Representative Concentration Path Scenarios (Representative Concentration Pathways) *4 Taskforce on Nature-related Financial Disclosures

ESG (4) Governance

Structure of the Board



	Knowledge and experience we expect in particular						
	Management	Finance	Global	Legal/risk management	Accounting	IT/DX	Sustainability
T.Kunibe	👤	¥	🌐	⚖️	📊	💻	🌱
J.Ohta	👤	¥	🌐	⚖️	📊	💻	🌱
M.Takashima	👤	¥	🌐	⚖️	📊	💻	🌱
T.Nakashima		¥		⚖️	📊	💻	🌱
T.Kudo		¥	🌐	⚖️			🌱
A.Inoue		¥		⚖️			
T.Isshiki		¥		⚖️			
Y.Kawasaki	👤	¥	🌐				
M.Matsumoto	👤			⚖️			
A.M.Mitchell	👤	¥	🌐	⚖️			
S.Yamazaki				⚖️	📊		
M.Kohno			🌐	⚖️			🌱
Y.Tsutsui	👤	¥					
K.Shinbo				⚖️			
E.Sakurai	👤		🌐				🌱

ESG (5) Engagement with stakeholders

KPIs

	KPI	Target	Results
Environment	Sustainable finance	JPY 30 tn Apr.20-Mar.30	JPY 11.1 tn -Sep.22
	o/w Green finance	JPY 20 tn	JPY 10.2 tn
	Green bond issuance	at least once a year	-
Community	Retail deposits in Asia	vs Dec.19 x3 by Dec. 22	x2.6 -Sep.22
Next Generation	Finance education	1.5 mn people Apr.20-Mar.30	298 k -Mar.22
Human Resources	Female managers	20 % by Mar. 26	17.0 % Mar. 22
	Childcare leave (male)*1	100 %	100 % Mar. 22

Enhance corporate value through engagement

Disclose non-financial information



Engage

Ease information asymmetry (lower capital cost)

Enhance corporate value

Improve ESG ratings



Corporate value

Information asymmetry

External evaluation

Disclosure/ dialogue

Fair Value

Non-financial value

Financial value

ESG (6) ESG indices and initiatives

Selected ESG indices



FTSE Blossom
Japan Sector
Relative Index



2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

GPIF selection indexes



FTSE4Good

Endorsed initiatives

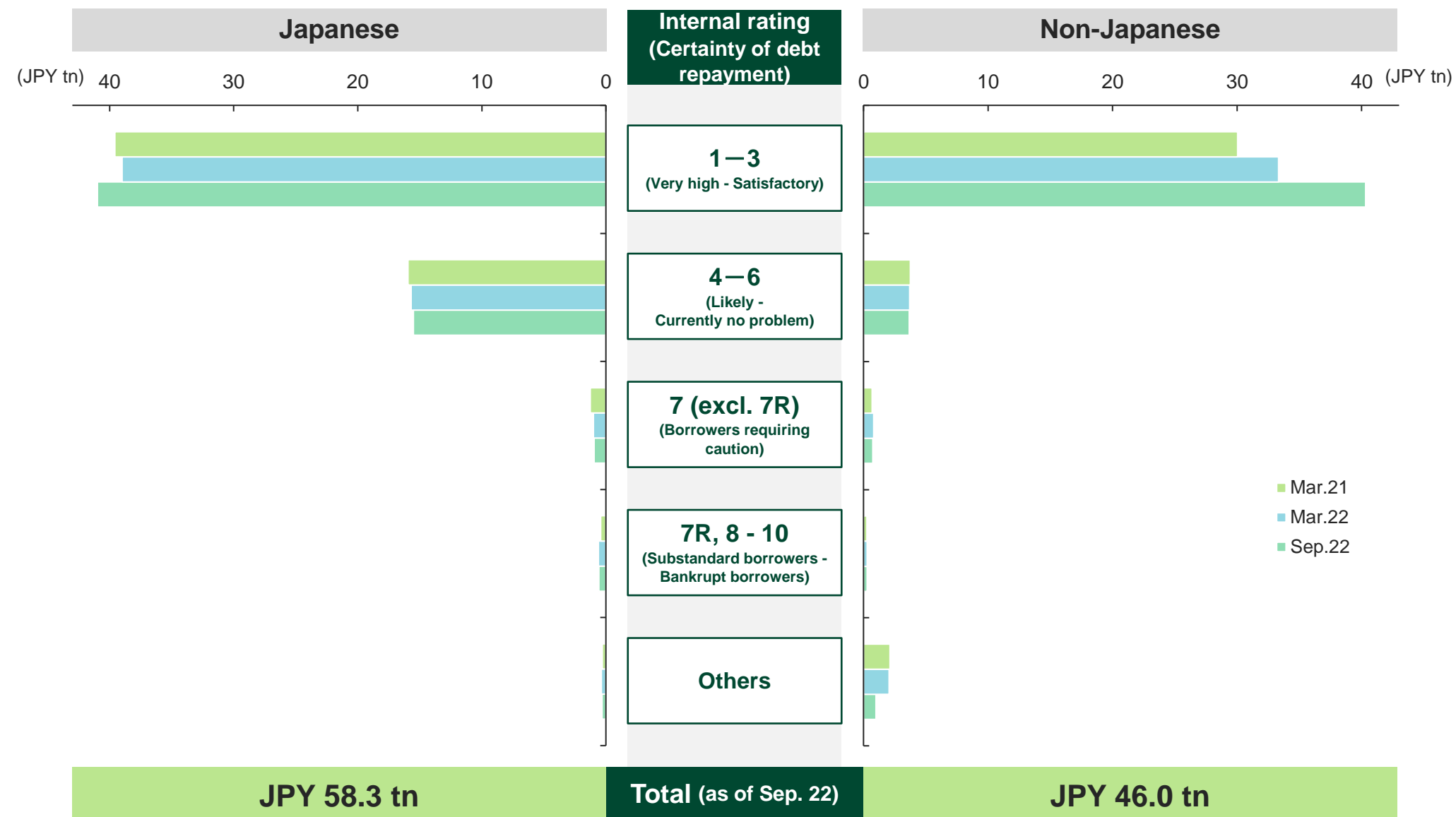
WE SUPPORT



Signatory of:



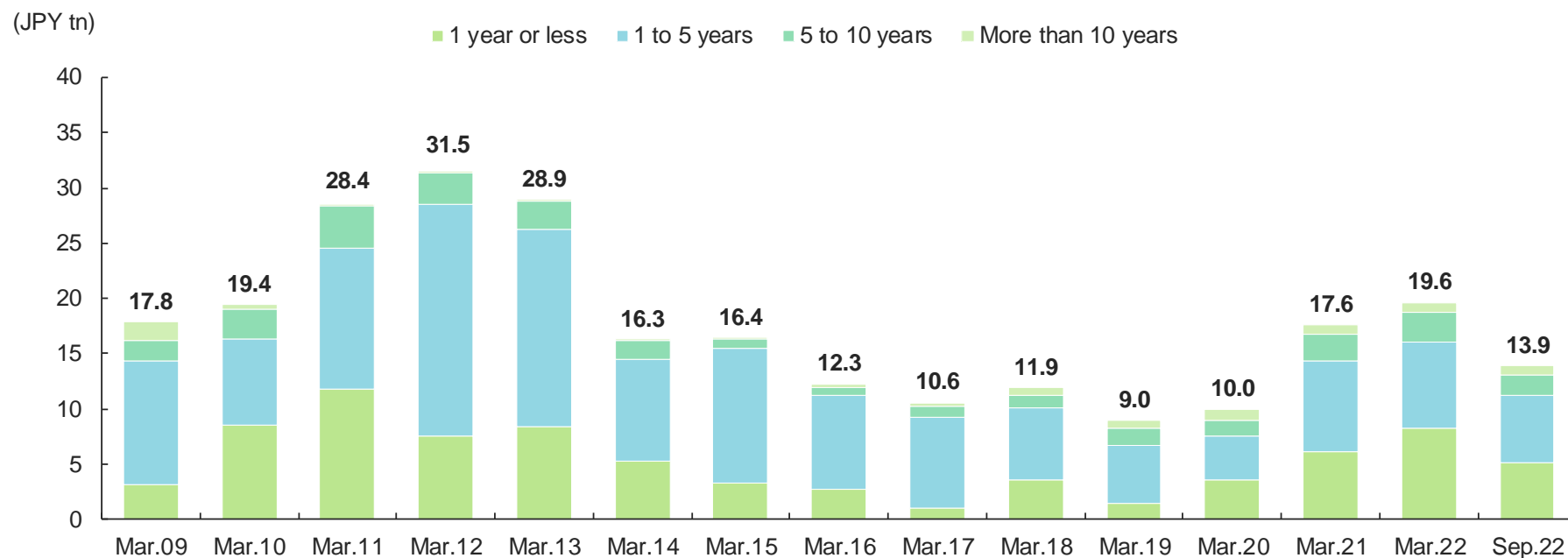
(Ref.) Breakdown by internal ratings*1



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

Yen bond portfolio

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



of which JGBs
(JPY tn)

14.0 9.8 8.0 9.3 6.3 7.1 14.3 15.8 10.0

Average duration (years) ^{*1}	1.8	1.1	1.4	1.9	1.8	1.1	1.8	2.8	2.9	2.3	3.2	2.9	2.5	2.8	2.9
Unrealized gains (losses) (JPY bn) ^{*2}	(1.2)	116.1	71.9	104.4	95.3	60.0	45.9	103.8	57.5	44.2	60.5	21.4	7.9	(49.7)	(66.3)

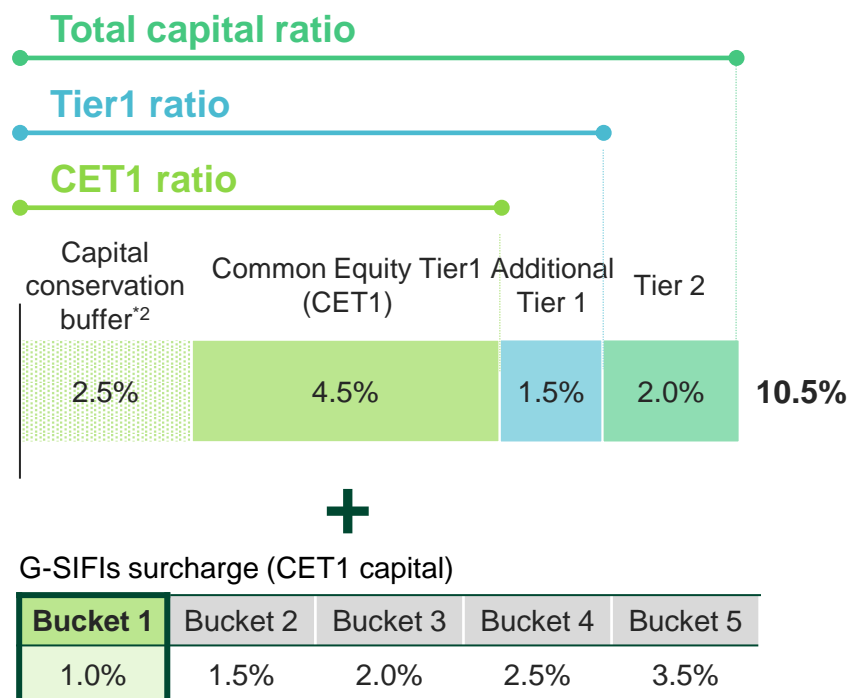
*1 Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero

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

Application of Basel III (capital ratio)*1

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

Capital requirements

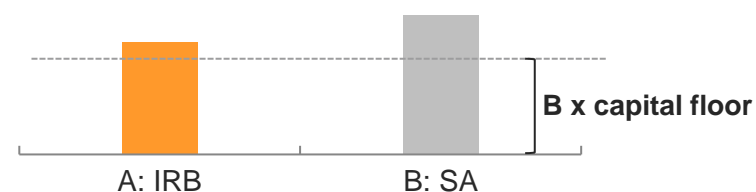


Implementation of output floor

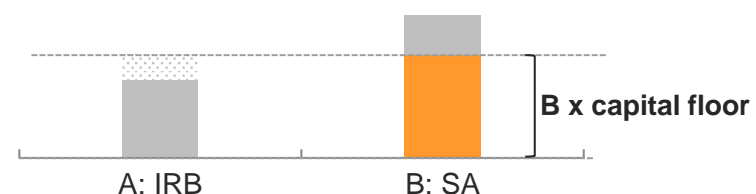
A: RWA based on internal ratings-based approach (IRB)

B: RWA based on standardized approach (SA)

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



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



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

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

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

(As of Nov. 1, 2022)

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

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

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

(As of Nov. 1, 2022)

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

*1 Long-term issuer ratings (if not available, Senior unsecured ratings) for Moody's, long-term issuer local currency ratings for S&P, Copyright © 2022 Sumitomo Mitsui Financial Group. All Rights Reserved.