

# Investor Meeting FY3/2024

May 17, 2024



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Hello everyone, this is Nakashima.

I would like to express my gratitude for your continued support.

Since my appointment as Group CEO last December, I have consistently stated on various occasions that the direction of management will remain unchanged, despite the change in CEO.

The current Medium-Term Management Plan, which was created in tandem with Mr. Ohta during my tenure as Group CFO and CSO, is a responsibility I am dedicated to advancing.

Additionally, I have been reflecting on how to steer SMBC Group through the constantly changing business landscape as CEO and how to effectively communicate my vision to stakeholders.

This is my first Investor Meeting as Group CEO.

I am keen to outline my vision for the future of SMBC Group and our roadmap to realize these ambitions.

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. 23	Mar. 24
USD	133.54	151.33
EUR	145.75	163.24

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
SMICC	SMFG India Credit Company (Former Fullerton India)
Major local subsidiaries	SMBC Bank International, SMBC Bank EU, SMBC (China)
Expenses (non-consolidated)	Excl. 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

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# Our Journey

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First of all, I want to describe the journey we will take to achieve SMBC Group's future vision.

**Vision**

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

**Integrity**

Engage with stakeholders fairly and sincerely

**Passion**

Challenge for future growth with courage

**Solidarity**

Unite the power of individuals as One Team

The vision of SMBC Group is to be "a trusted global solution provider committed to the growth of our customers and advancement of society."

This vision was established in 2019 when Mr. Ohta became Group CEO and I assumed the roles of Group CFO and CSO.

As stated, my goal is to establish SMBC Group as the most trusted brand by committing to the growth of our customers and advancement of society.

The term "global solution provider" represents two key aspirations.

"Global" signifies our ambition to be a competitive player in the global market, while maintaining a solid business foundation in Japan.

"Solution provider," rather than a "financial institution," reflects our commitment to addressing the challenges faced by our customers and society, extending beyond financial services into non-financial areas.

To pursue this vision, I consistently emphasize to our employees the importance of three core values celebrated in World Rugby: Integrity, Passion and Solidarity.

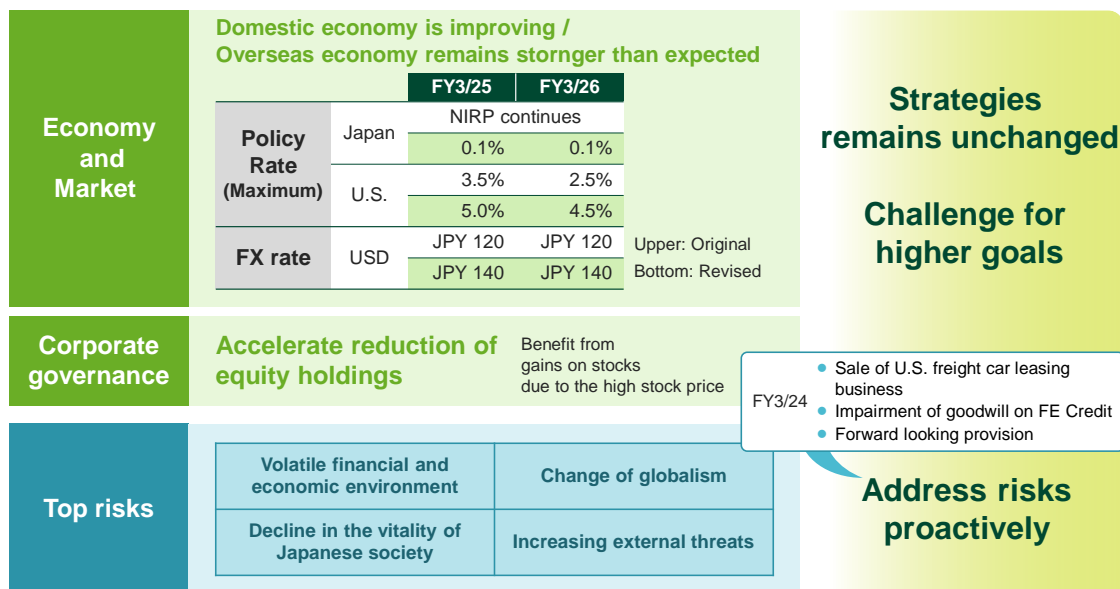
"Integrity" is fundamental to becoming a true professional who not only complies with regulations and rules but also engages with stakeholders fairly and sincerely, striving to win with honor in the business arena.

"Passion" represents the fervent desire to contribute to our customers and society, embracing risk-taking for growth.

"Solidarity" is my call for harnessing the diverse strengths of individuals to form a strong One Team.

With these three keywords at the forefront, I am committed to working together as a group to realize the vision we are striving for.

Pursue opportunities for further growth as the environment has become more positive than our initial assumptions, while remaining aware of the potential for significant market and economic volatility.



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Next, I would like to discuss the current environment and risks.

When we announced the current Medium-Term Management Plan last May, there was a significant uncertainty in the global financial markets, triggered by the collapse of Silicon Valley Bank in the U.S.

In retrospect, our initial assumptions regarding interest rates and exchange rates, made under such conditions, were quite conservative.

The current business environment has turned to be much more positive than expected.

The weakening of the yen, rising stock prices, and persistently high U.S. interest rates have created a favorable backdrop for our earnings.

Investment activities among companies and individuals in Japan are gaining momentum, and the world has finally begun to move toward Japan's regrowth as the negative interest rate policy was lifted.

While we need to remain cautious about inflation overseas, the U.S. economy continues to demonstrate strength.

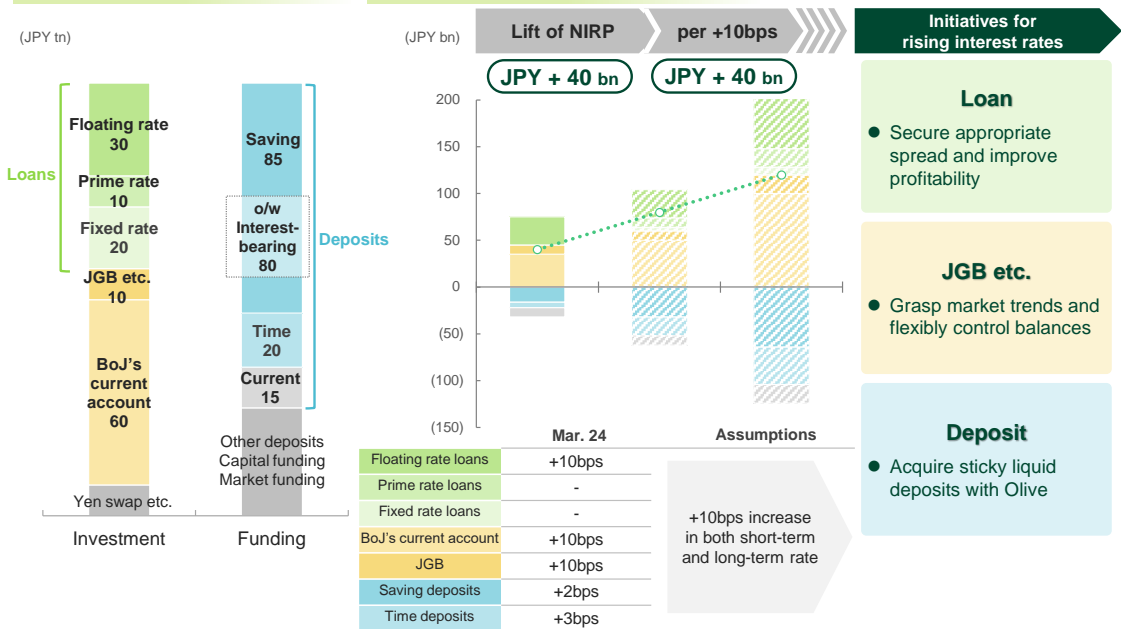
Futhermore, the acceleration of equity holdings reduction, amid the adoption of corporate governance practices, has led to gains on sales of equity holdings that exceeded our expectaions, thanks to the rise in stock prices.

In light of these circumstances, we are revising our macroeconomic assumptions and are prepared to set even higher goals while enhancing our own competitiveness.

We will also proactively respond to changes in the financial and economic environment, as well as to social and geopolitical risks.

B/S JPY 145 tn (Mar. 24)

Impact on net interest income\*1



\*1 Based on assumption of no change in balance sheet

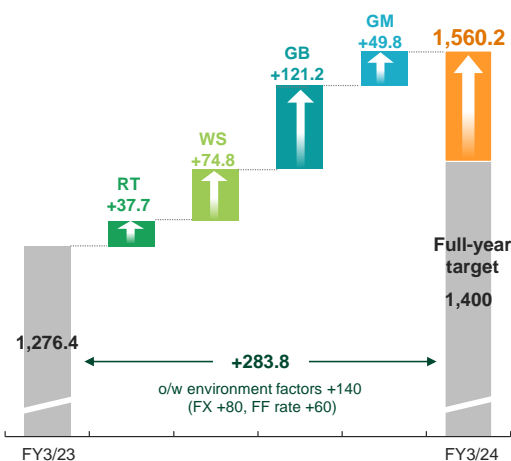
We estimate that the impact on earnings from the lifting of negative interest rate policy will result a JPY 40 bn increase in net interest income. If interest rates continue to rise, we anticipate an additional JPY 40 bn increase in profits for every +10 basis point increase in both short-term and long-term interest rates, based on certain assumptions.

Although we are not yet ready to present the data, we have observed that loans repriced after the lifting of negative interest rate policy have maintained their spread, even with the rise in the base rate. We will continue to enhance our net interest income through our ongoing efforts to improve profitability.

Both consolidated net business profit and bottom-line profit saw a strong increase due to a favorable environment and the growth of every Business Unit, alongside proactive preparation for potential risks.

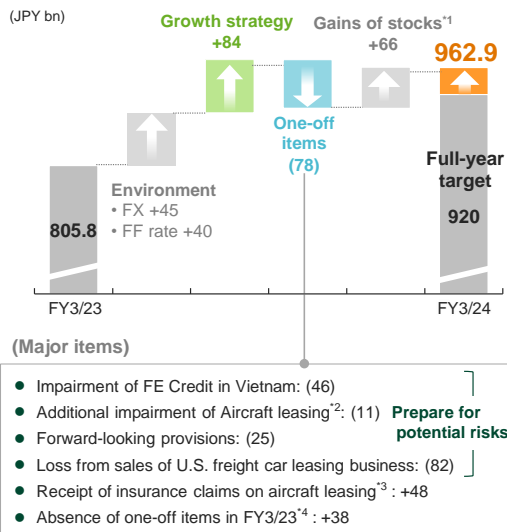
### Breakdown of consolidated net business profit

(JPY bn)



### Breakdown of bottom-line profit

(JPY bn)



\*1 Incl. an impairment of JPY 39 bn for overseas investment

\*2 Impaired the entire remaining book value \*3 Received for 19 of the 34 aircraft previously leased to Russian airlines

\*4 Gains on change in equity (Bank of East Asia), impairment of aircraft leasing, impairment of branches, etc.

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In FY3/24, we achieved record highs in both consolidated net business profit and bottom-line profit, significantly exceeding our revised targets while proactively preparing for potential risks.

I believe that our core earnings have been steadily increased, as we have made progress on each measure in the Medium-Term Management Plan, bolstered by a favorable business environment.

In Japan, we have expanded our retail customer base through Olive and have closely met the financial needs of wholesale clients who are increasingly engaging in corporate actions.

Our oversea business is making steady progress in the CIB business through collaboration with Jefferies and in the Multi-Franchise Strategy in Asia.

We have also been working to improve ROE through the reallocation of our business portfolio, including the reduction of equity holdings that significantly exceeded our plan and the sale of the U.S. freight car leasing business.

When Mr. Ohta passed away last November and I was appointed as the new CEO, I told my employees, "Let's deliver outstanding performance for FY3/24, which marks the final fiscal year under Mr. Ohta."

Thanks to their efforts, we achieved the results we aimed for and made a very good start in the first year of the Medium-Term Management Plan.

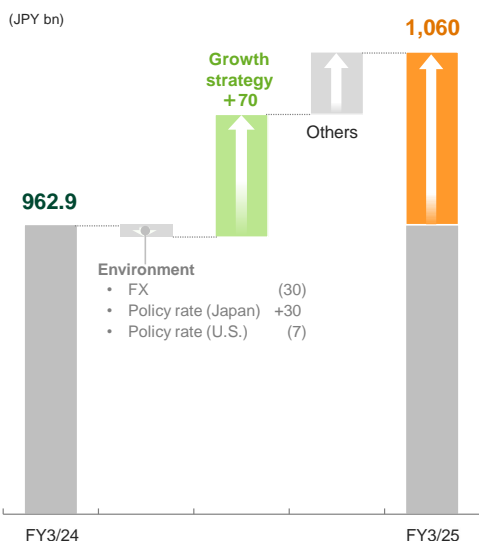


Aim to achieve a bottom-line profit exceeding JPY 1 tn for the first time  
by further strengthening core earnings on top of capturing a favorable business environment.

(JPY bn)	Result FY3/24	Target FY3/25	YoY
Consolidated net business profit	1,560.2	1,620	+59.8
Credit cost	274.0	260	(14.0)
Ordinary profit	1,466.1	1,560	+93.9
Profit attributable to owner of parent	962.9	1,060	+97.1

[Assumption]		(Mar. 24)	(FY3/25)
Policy rate (Max)	Japan	0.1%	0.1%
	U.S.	5.5%	5.0%
FX	USD	JPY 151.33	JPY 140

## Breakdown of bottom-line profit



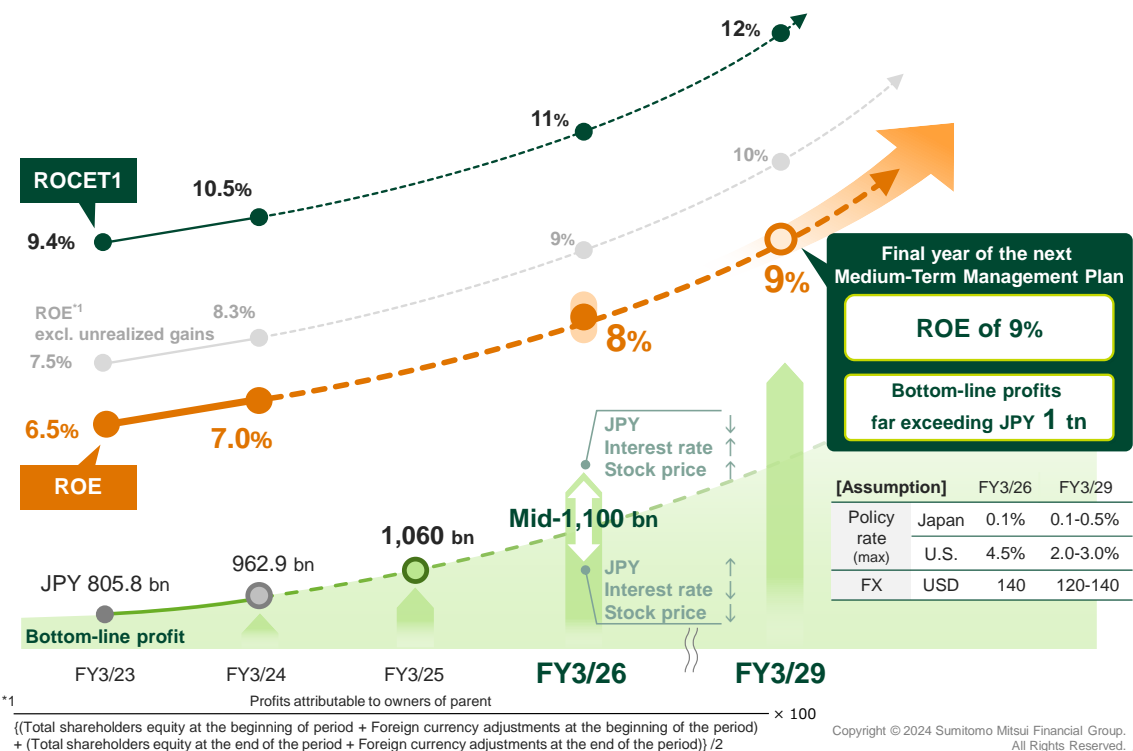
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In FY3/25, we aim to break our record for profits and reach a net income of over JPY 1 tn for the first time by further advancing the measures of our Medium-Term Management Plan, assuming that the current positive business conditions continue.

Previously, we set our targets at levels we believed we could achieve even under a downside scenario, and we revised our targets upward during the fiscal year if the anticipated risks did not materialize.

However, I have come to realize that our approach to guidance may have appeared overly conservative to investors and could have been interpreted as a lack of confidence in our future performance.

This time, our target reflects our determination to ambitiously strive for better outcomes and represents a forecast that is more in line with what we realistically expect to happen, compared to our past targets.



Next, I would like to share the financial projections I aim to achieve in five years through the next Medium-Term Management Plan.

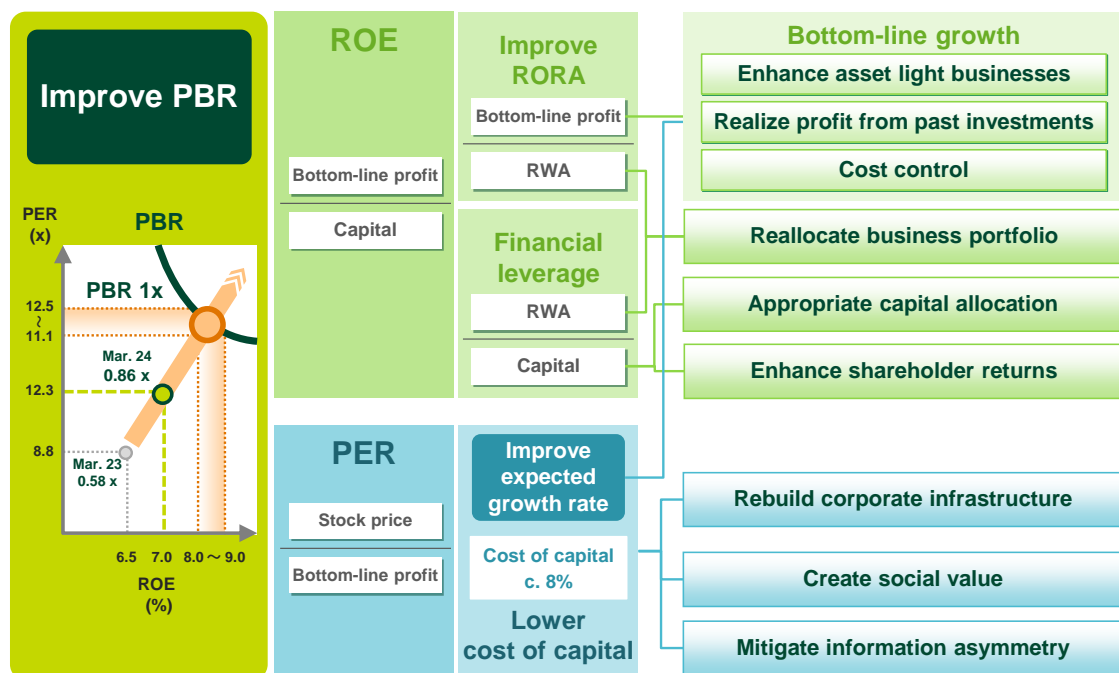
Improving ROE is a key objective in our current plan. Based on our current business performance and environment, we are raising our target to achieve an 8% of ROE in FY3/26, the final year of the current plan, a goal we initially set for the subsequent plan. Furthermore, we aim to reach 9% in FY3/29, the final year of the next plan. We also aim to increase our bottom-line profit, the numerator of ROE, to JPY 1.06 tn in FY3/25 and to the mid-1.1 tn in FY3/26, well above the JPY 1 tn mark.



# Enhance Corporate Value

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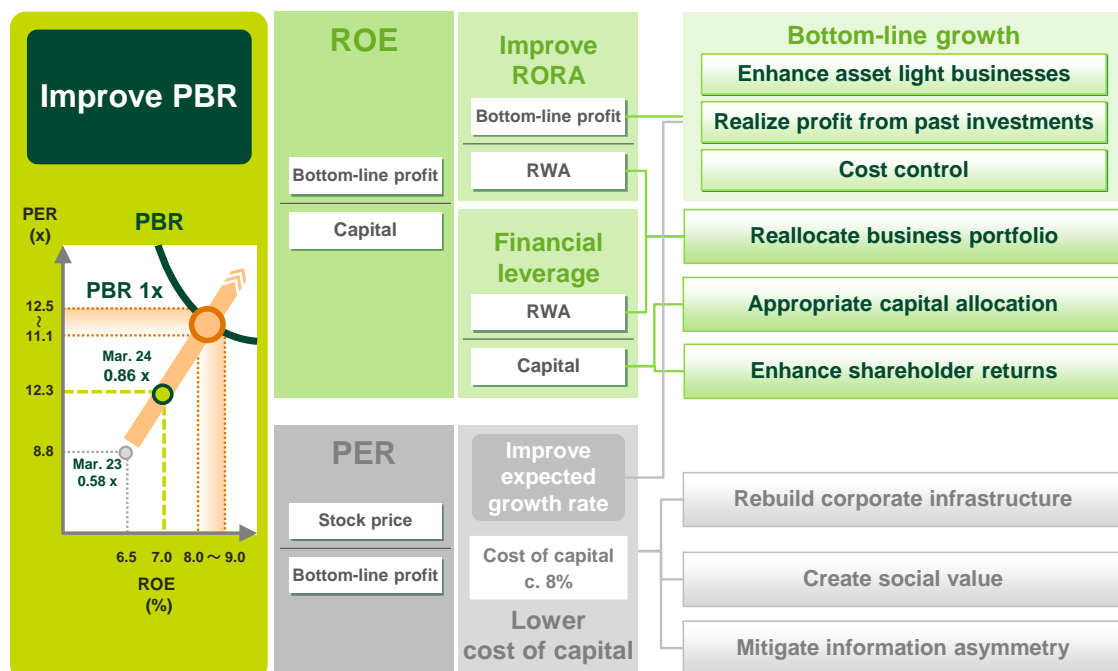
Now, I would like to explain our efforts to enhance our corporate value.



The graph on the left shows our historical Price-to-Book Ratio (PBR). Although it has improved significantly over the past year, it remains below one, which is an issue that management must address promptly. It may seem like textbook logic, but to increase PBR, we must enhance ROE by improving Return on Risk-Weighted Assets (RORA) and managing financial leverage. Simultaneously, we need to improve Price Earnings Ratio (PER) by reducing cost of capital and enhancing the expected growth rate.

By diligently increasing our corporate value, we aim to surpass a PBR of one as a milestone, not a final goal.

On the following page, I will explain our initiatives to improve both ROE and PER.



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To improve ROE, growing bottom-line profits, which constitute the numerator, is essential.

I would like to focus on three key points:

- 1) Strengthening asset-light businesses that are not balance sheet-dependent,
- 2) Realizing profits from past investments that we have been actively pursuing, and
- 3) Controlling costs.

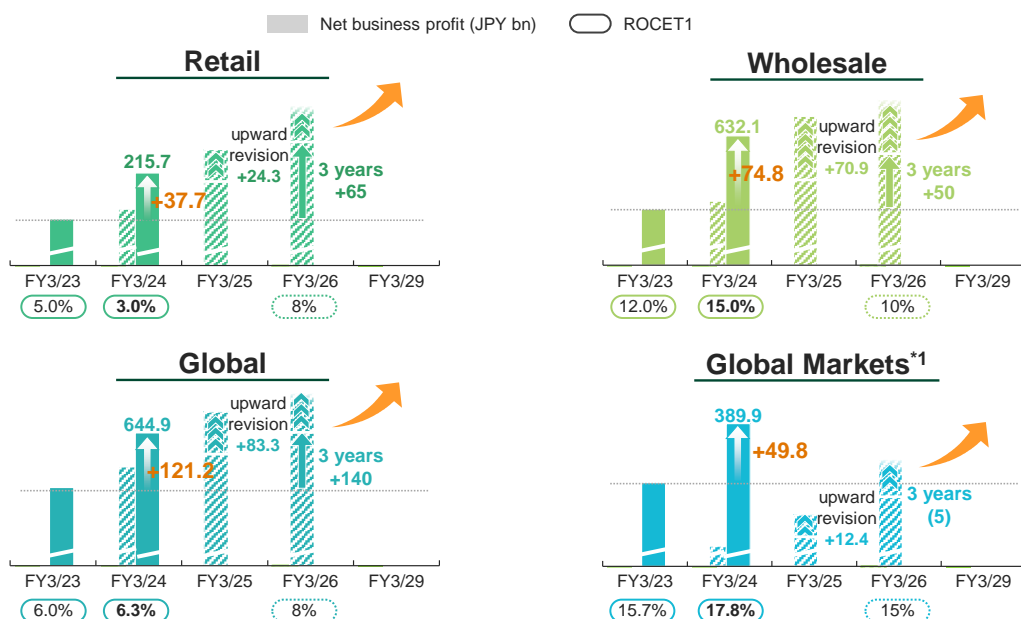
Moreover, dynamically reallocating the business portfolio and appropriately allocating capital to manage risk assets and use capital more efficiently is crucial.

We will foster a Group-wide awareness of improving capital efficiency, reduce unprofitable and non-core assets, and strategically redirect resources while actively embracing risks.

We will also prudently manage capital to maintain a healthy balance between financial soundness, investment for growth, and shareholders return.

## Progress of Medium-Term Management Plan (by Business Unit)

Every Business Unit shows higher growth than expected by progress of measures in the Medium-Term Management Plan on top of favorable market environment.



\*1 The initial plan for FY3/24 assumed a decline in profit from trading which was strong in FY3/23 and profit from banking due to rising interest rates

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Bottom-line profit growth in FY3/24, the first year of the Medium-Term Management Plan, was strong as each Business Unit achieved net business profits that exceeded expectations, with steady progress in our initiatives.

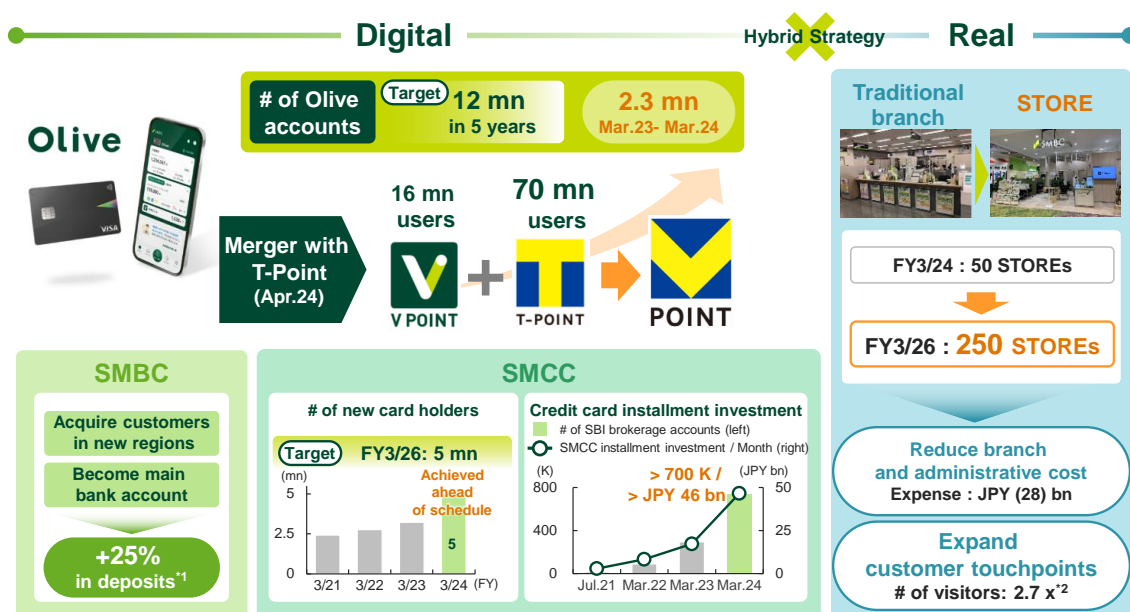
The Wholesale Business Unit, in particular, showed robust growth, surpassing the planned increase of JPY 50 bn over the three years.

In FY3/25, all Business Units will strive to reach higher targets than those originally set in the Medium-Term Management Plan.

We plan to further accelerate the implementation of the Medium-Term Management Plan measures, leveraging the favorable business environment as a tailwind, and aim to continue increasing profits in FY3/26 and beyond.

## Build digital-based retail business

Increase customer touchpoints while reducing expenses through a hybrid strategy of Olive and STORE.  
Merge V Point and T-Point to increase number of customers, deposit, and finance / fee income.



<sup>\*1</sup> YoY of balance as of Mar.24 for new SMBC account openers in Mar.23 - Feb.24

<sup>\*2</sup> Average number of visitors for 30 stores opened by Mar.24 (customers for consultations, wealth management, and notification, excl. withdrawals or transfers, etc.)

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In our initiatives focused on bottom-line profit growth, I will begin by strengthening our asset-light business.

The volume of deposits becomes more critical when the negative interest rate is lifted, and interest rates are expected to rise further. Increasing liquid deposits, which are less sensitive to interest rate changes, is particularly key.

Olive has been an essential tool for increasing liquid deposits and has shown steady progress since its launch in March 2023.

The number of accounts exceeded 2.3 million within a year, and we anticipate further growth following the merger of V Point and T-Point in April 2024.

The deposit volume at SMBC, the number of new SMCC card holders, and credit card installment investment through SBI Securities have also been increasing steadily via Olive.

When we launched Olive, we planned to start generating a profit by FY3/26, achieve cumulative profit by FY3/28, and contribute more than tens of billions of yen to the net business profit of Retail Business Unit by FY3/29, the final year of the next Medium-Term Management Plan.

Given the current steady progress and the potential for rising interest rates, I believe we can aim for even higher levels.

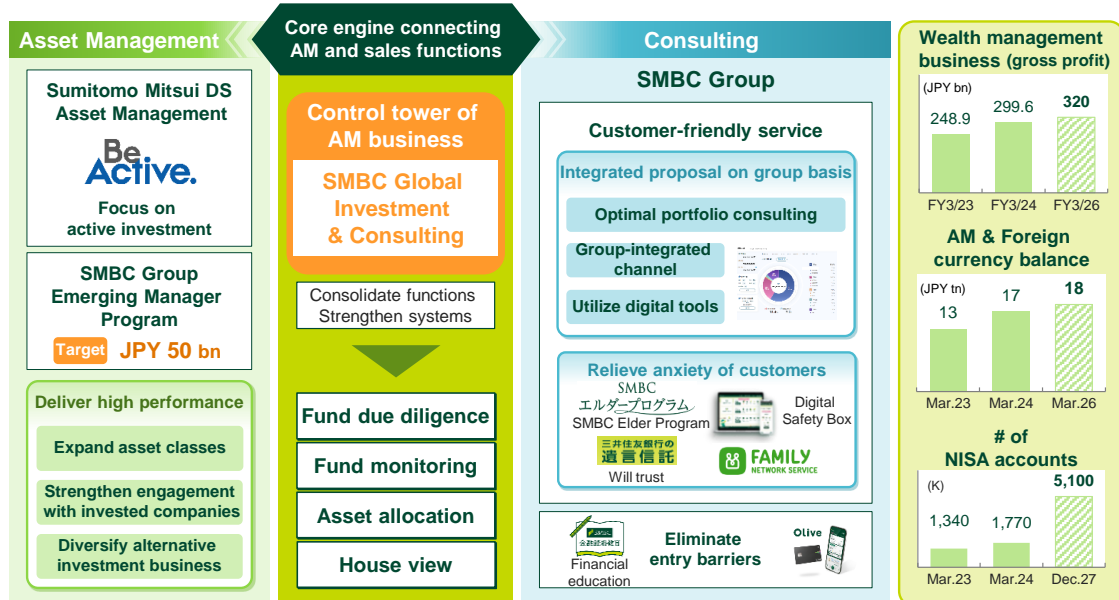
We will improve the profitability of the retail business by increasing various fee incomes and financing income with Olive.

While we will build an efficient digital-based business model centered on Olive, we will also maintain a certain number of customer touchpoints. Over three years, 250 of the 400 retail branches will be converted to lighter, more efficient "STOREs."

By expanding customer touchpoints and reducing administrative costs, we will pursue both the strengthening of the asset-light business and cost control.

## Strengthen asset management business

Set up a control tower of the Group to cover entire value chain from asset management to consulting.  
Provide diverse solutions to support shift from savings to investment.



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Now is an ideal time to grow our wealth management business by leveraging our group's strengths, especially with the current momentum from the introduction of the new NISA and favorable stock prices.

We are sometimes criticized for not having a sizable trust subsidiary, considered a key player, and for lagging behind our peers in terms of assets under management. However, I do not intend to pursue scale for its own sake.

Committed to high-quality active management, we will focus on enhancing our services and offering our customers value that prioritizes quality over quantity. In consulting, SMBC, SMBC Nikko, and SMBC Trust are collaborating to create portfolios that serve our customers' best interests, transitioning from a brokerage-centric business model to one centered on asset management.

To ensure these strategies are implemented consistently across the entire value chain, SMBC Global Investment & Consulting has been established as a control tower function.

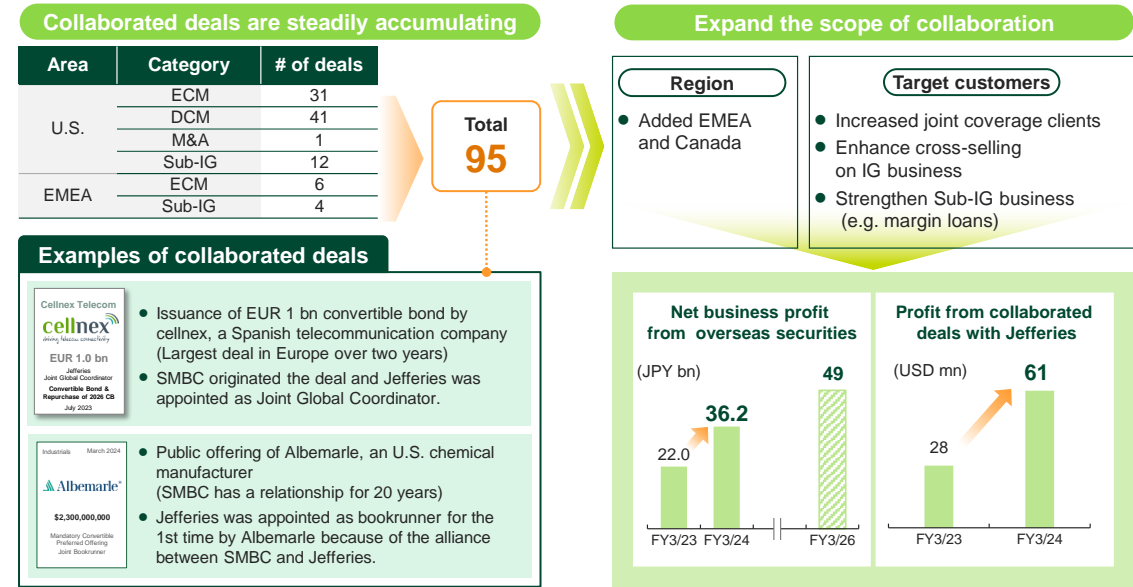
We will further enhance our consulting services by utilizing capabilities in house view and fund selection to realize asset building and portfolio proposals that accurately reflect economic and financial conditions, while adjusting the entire value chain.

With this framework, we aim to establish our position as the No.1 wealth management business in the domestic market.



Enhance Global CIB through Collaboration with Jefferies

Closed almost 100 collaborated deals in FY3/24.  
Enhance CIB business and improve ROE through further expanding the alliance with Jefferies.



Another initiative to strengthen our asset light business is the enhancement of our global CIB business.

The collaboration with Jefferies, which officially began in April of last year, is a business model that creates synergies by leveraging SMBC Group's capital strength and relationships with large corporations, combined with Jefferies' high capabilities as an investment bank.

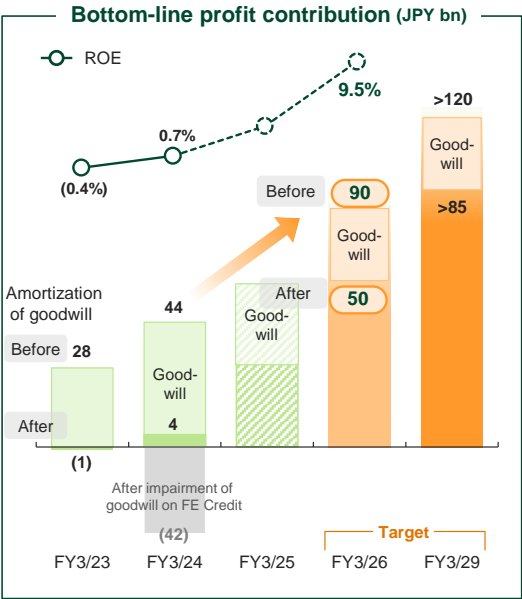
The results have exceeded expectations, with nearly 100 collaborative deals executed in the last fiscal year.

We are gradually expanding the scope of collaboration, but I believe there is still significant potential in our partnership with Jefferies.

We will continue to enhance the profitability of our overseas securities business and improve ROE of our global CIB business through the further expansion of this partnership.

Realize growth through Multi-Franchise Strategy

The long-term growth forecast remains unchanged, although the current status varies among investees.  
Aim to increase profit contribution to SMBC Group by supporting their growth strategies.



	SMICC	Ownership ratio: 75% → 100%		P.65
Loan has been growing by capturing growth of economy				
<ul style="list-style-type: none"><li>Accelerate business expansion by making SMICC a 100% subsidiary</li><li>Enhance product lineups by utilizing digital channel</li><li>Funding support – Capital infusion of JPY 25 bn in Apr. 24</li></ul>				
Loans (FY3/24) (FY3/27)		ROE (FY3/24) (FY3/27)		
JPY 0.8 tn » 1.6 tn		12% » 18%		

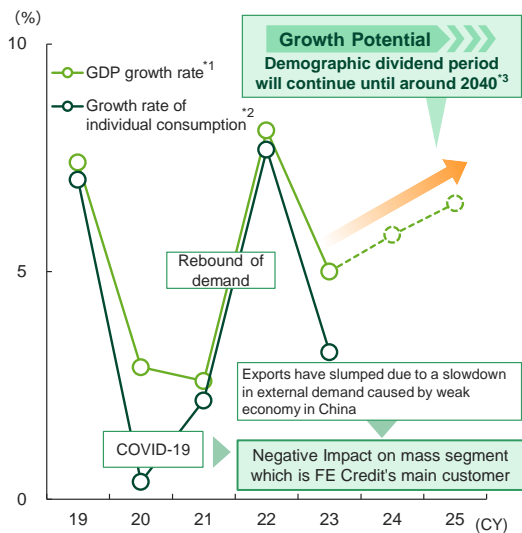
	BTPN	91%		P.64
Pursue growth as a whole group after consolidation				
<ul style="list-style-type: none"><li>Enhance both retail and corporate loans through group collaboration</li><li>Expand product lineups of digital bank "Jenius" and digital services for SMEs</li></ul>				

	RCBC	20%		P.67
Diverse business collaboration on top of strong loan growth				
<ul style="list-style-type: none"><li>Launched products by collaboration (employee marketing and RV loan)</li><li>Acquire new customers from retail and SME segments</li></ul>				

	FE Credit	49%		P.19
	VPBank	15%		P.66
Recover FE Credit with the turnaround of local economy				

Macroeconomy has been recovering from the impacts of COVID-19 and sluggish exports due to weak Chinese economy. Aim for an early recovery under new management and through credit costs control.

Macro environment



\*1 IMF \*2 Japan Research Institute \*3 Estimated based on UN data  
\*4 Local accounting basis using FX rate at the end of each FY

Key measures for recovery of FE Credit

	2020	2021	2022	2023
(JPY bn)*4				
Gross Profit	78.4	76.6	84.9	81.0
Credit costs	42.7	57.8	75.3	75.6
Net profit	13.4	0.6	(13.3)	(18.0)
ROE	21.2%	0.8%	(16.5%)	(25.2%)
Loans	297.2	377.1	385.4	343.5

- Enhance management team under a new CEO
- Control credit costs by tightening credit standards
- Acquire new customers and enhance cross-selling by digitalizing of products and channels

Initiatives to accelerate VPBank's growth ▶ P.66

- Support direct investment from foreign corporates, enhance retail and SME business
- Expand ecosystem of VPBank group
- Develop businesses by data analysis and digitalization

I would like to provide further details about Vietnam, the only one of the four countries where we are currently facing challenges.

In FY3/24, we recorded an impairment on FE Credit.

This was due to a downturn in Vietnam's macroeconomy, primarily caused by the spread of COVID-19 and a slump in exports resulting from the stagnation of Chinese economy.

Additionally, there was a particularly delayed recovery in consumer spending among the mass market, which is FE Credit's main customer segment.

Currently, we are finally seeing signs that a recovery in the macro environment can be expected.

With the continued demographic bonus, there is ample potential for medium- to long-term growth.

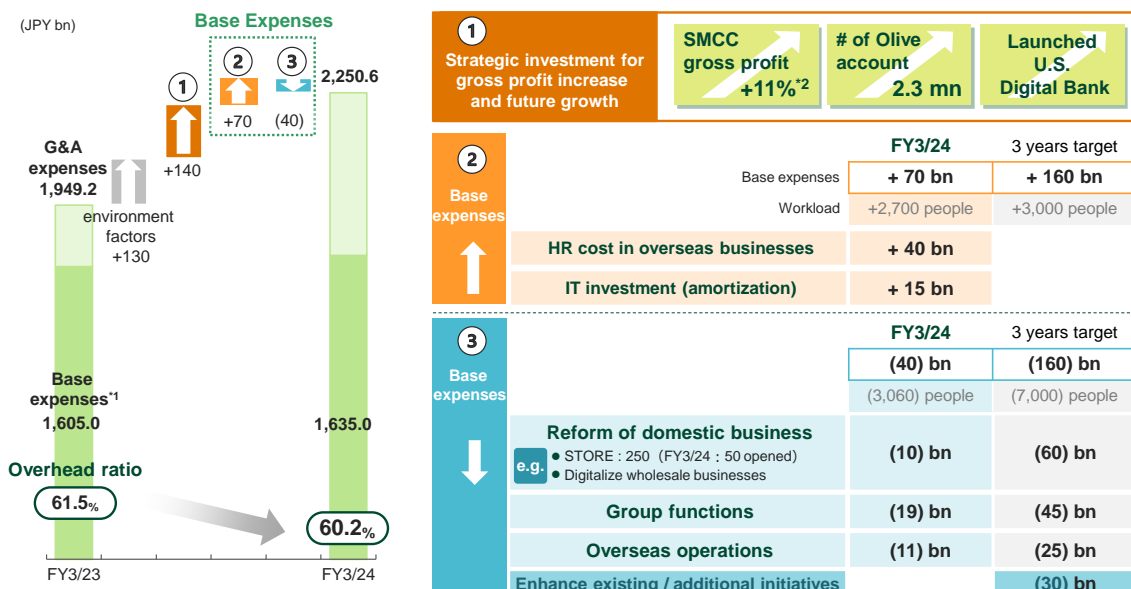
We are strengthening governance with VPBank, the joint shareholder of FE Credit, including a change in top management, controlling credit costs through stricter credit standards, and expanding the base of new quality customers.

As the largest consumer finance company in the local market, FE Credit has significant growth potential once it recovers.

We are committed to supporting a swift turnaround.

## Cost control and strategic expense investment

Overhead ratio improved by >1%, despite an increase in G&A expenses due to environmental factors and investment for growth. Aim to keep base expenses flat by additional cost reduction initiatives.



\*1 G&A expenses excl. revenue linked variable cost, cost related to investment for future growth, impact from market conditions and others

\*2 Excl. impact from reorganization of SMBC Mobit

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The final element of bottom-line profit growth is cost control.

Managing costs in an environment with yen depreciation and inflation is challenging, but we are committed to reducing costs by improving operational efficiency and maintaining firm control over our base expenses.

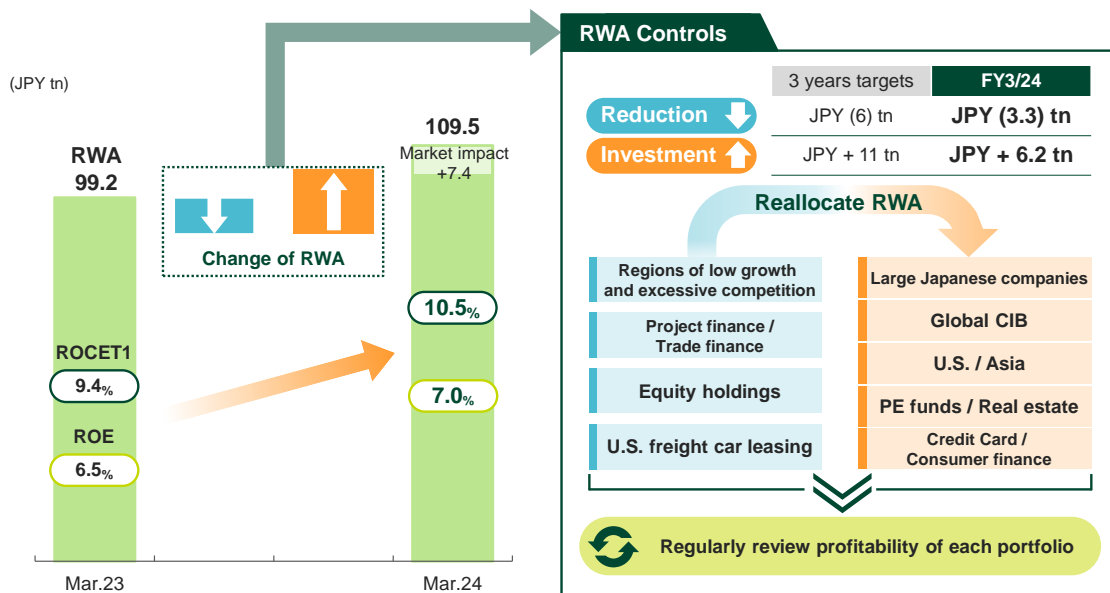
For the current Medium-Term Plan, we have increased base expenses by JPY 30 bn to secure necessary resources, such as IT investment, in line with our raised targets. Additionally, we will implement JPY 30 bn in new cost reduction initiatives to keep total base expenses flat.

Conversely, we will continue to strategically spend expenses that are necessary for future growth.

In FY3/24, overhead ratio improved by more than 1% YoY as strategic expenditures were effectively linked to top-line growth, despite an increase in total expenses.

## Reallocate business portfolio to improve capital efficiency

Improved profitability through a review of the business portfolio focused on capital efficiency.  
Continue to allocate capital to strategic areas by reducing unprofitable assets and equity holdings.



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In order to improve ROE and make efficient use of capital, it is also important to reduce unprofitable assets and reallocate resources to strategic areas.

Dynamic reallocation of the business portfolio is one of the key measures in the current Medium-Term Management Plan.

We are consistently evaluating the profitability of each portfolio and taking the necessary actions.

In particular, the reduction of low-profit assets, such as project finance and equity holdings, has been accelerated as the awareness of improving capital efficiency has spread to the branch level.

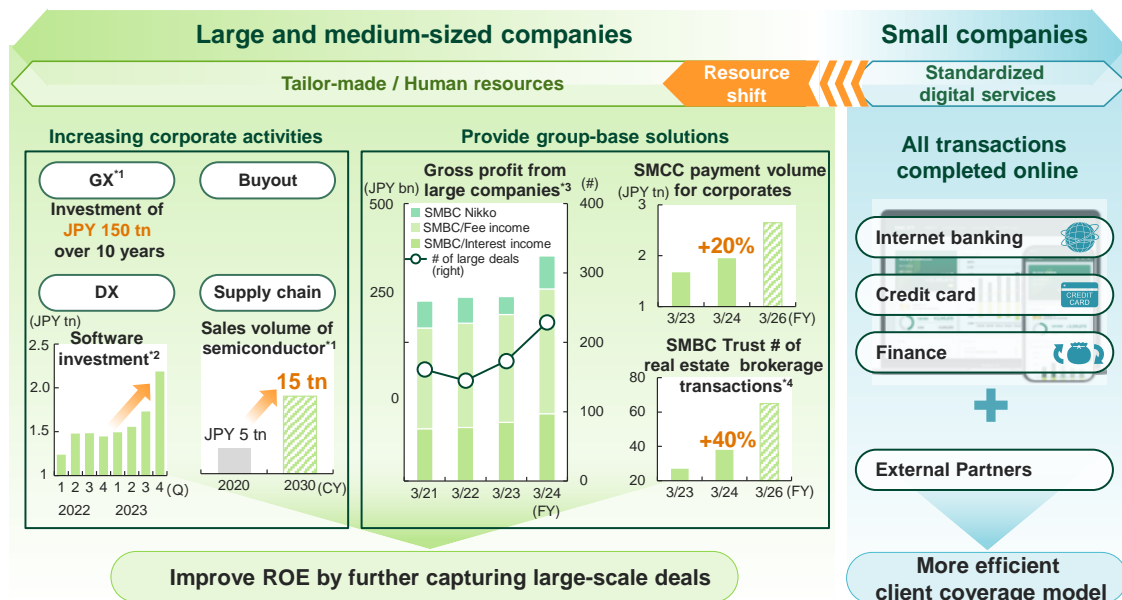
On the investment side, we are accumulating Risk-Weighted-Assets (RWA) to lead profit growth in areas where growth is expected, after thoroughly reviewing capital efficiency.

By continuously reviewing our business portfolio with a focus on capital efficiency, we have been making steady progress in improving both ROE and ROCET1.

## Sophisticate domestic wholesale business

Allocate resources to capture corporate activities in large and medium-sized companies.

Build more efficient client coverage model thorough digitalization for small companies.



\*1 Targets and estimates by Government of Japan \*2 Financial Statement Statistics of Corporations by Industry

\*3 SMBC and SMBC Nikko only. Figure of SMBC Nikko is gross profit of WS division in Japan. # of large deals which had profit >JPY 100 mn. \*4 # of transactions >JPY 3 bn.

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One of the strategic areas where we will actively allocate resources is the business for domestic large and medium-sized companies, which stands to benefit greatly from the tailwind for Japan's regrowth in a current favorable environment.

Before becoming CEO, I oversaw large corporate businesses and strongly felt that many companies were actively engaging in corporate actions to achieve further growth and improve capital efficiency, based on strong performance.

We anticipate further investments on an unprecedented scale in fields such as Green Transformation (GX), Digital Transformation (DX), and semiconductors, as well as a firm grip on the increasing number of large-scale projects.

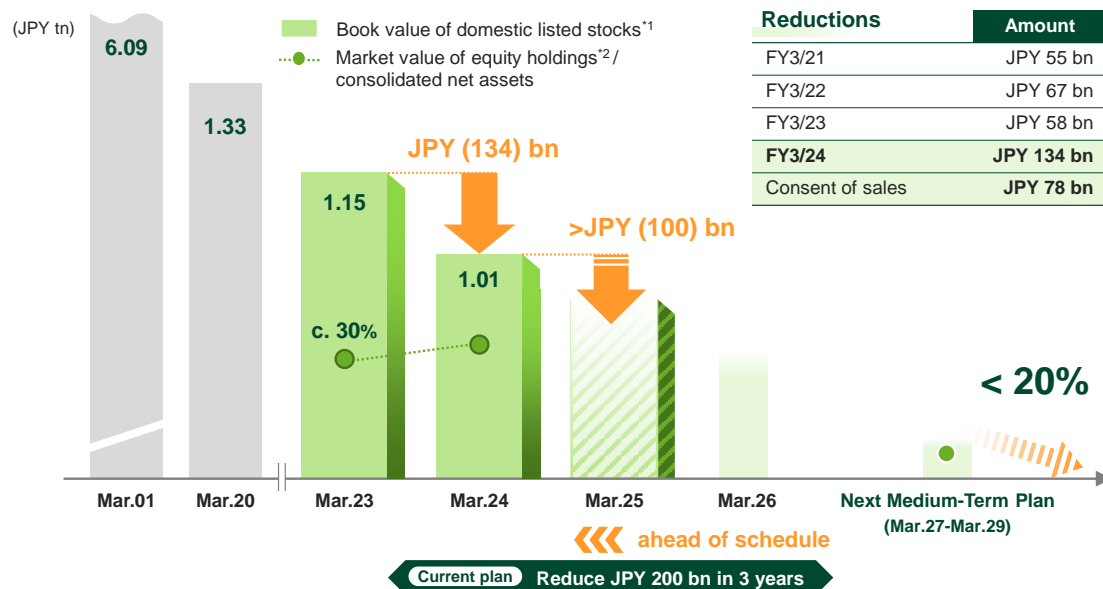
To further strengthen our response to large-scale projects, we will allocate more human resources to large and medium-sized corporations than ever before to enhance their ability to make custom-made proposals.

Conversely, for small enterprises, we will thoroughly digitalize our operations while leveraging group-base strengths.

## Reduction of equity holdings

Reduced JPY 134 bn of equity holdings in the first year of three years reduction plan of JPY 200 bn.

Aim to achieve current plan ahead by reducing >JPY 100 bn in FY3/25 and consider a new reduction plan.



\*1 Excl. investments after Mar.20 for the business alliance purpose \*2 Incl. balance of deemed held shares

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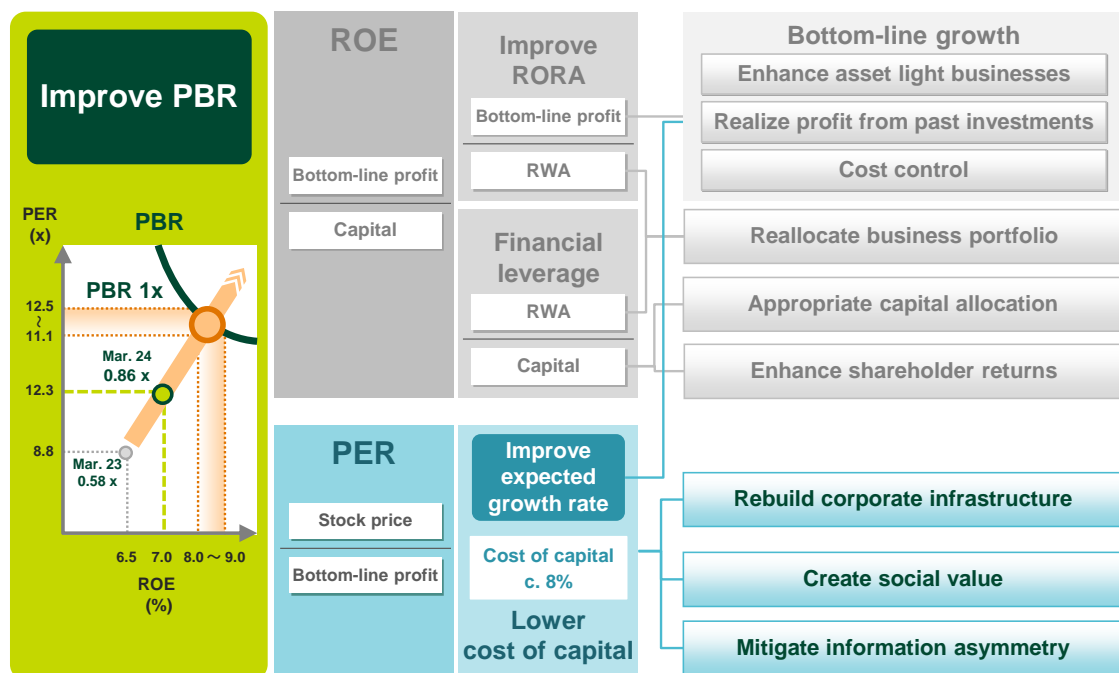
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We reduced our equity holdings by JPY 134 bn in the first year of the reduction plan, which aims for a total of JPY 200 bn in this Medium-Term Management Plan. The pace of reduction was greatly accelerated due to more proactive negotiations with clients and a positive shift in clients' attitude driven by the adoption of the Corporate Governance Code.

We plan to reduce at least JPY 100 bn in FY3/25, continuing this strong momentum, and hope to achieve the JPY 200 bn target in early FY3/25, ahead of schedule. After reaching the current target, we will consider a further reduction plan and aim to announce it while assessing the impacts from domestic insurance companies announcing the sale of their entire equity holdings and the response of their clients.

Although the reduction of book value is progressing well, the balance in market value remains high due to the increase in unrealized gains under favorable stock market conditions.

We will accelerate the pace of reduction to lower the ratio of market value to consolidated net assets below 20% in next Medium-Term Management Plan.



After discussing our efforts to improve ROE, I would now like to address PER, which is another key factor influencing PBR.

While it is true that PER for financial institutions is often strongly influenced by the macro environment, we aim to elevate it by effectively managing the cost of capital.

To increase our expected growth rate, we will concentrate on business areas with promising medium- to long-term growth prospects, such as payment business, Multi-Franchise Strategy, and overseas CIB business.

We will update their strategies and measures, set profit targets, and continue to report on our progress.

Furthermore, we will rebuild corporate infrastructure, create social value, and mitigate information asymmetry by engaging in constructive dialogue with investors and enhancing transparency.

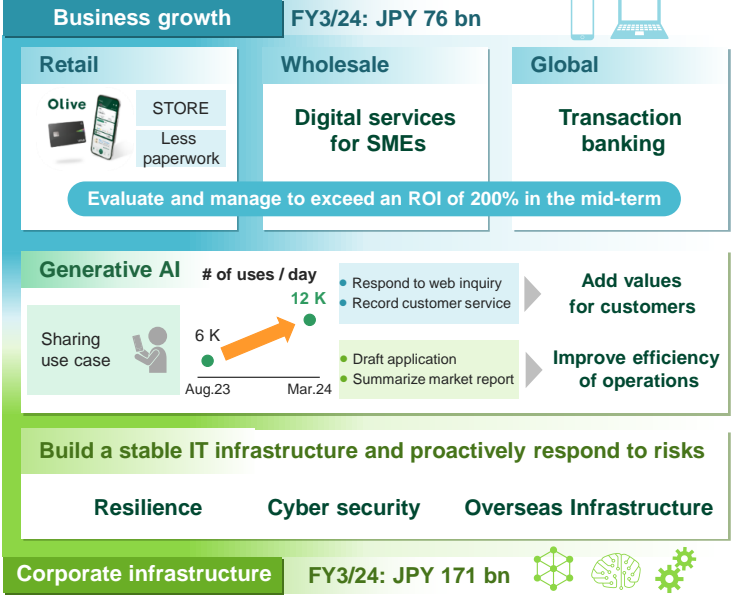
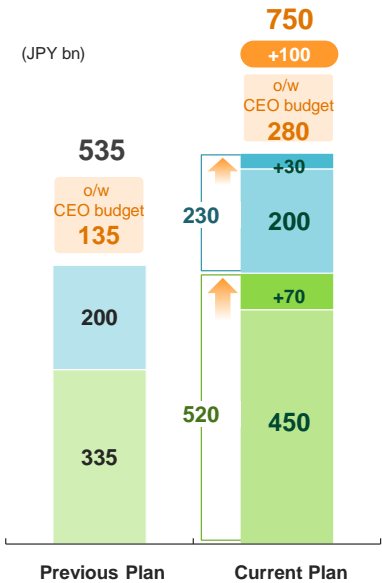
We recognize that our cost of capital is around 8%, yet we also understand that market expectations are higher.

Through these efforts, we aim to narrow the gap with the market expectations.



IT Investment to accelerate growth

Increased IT investment budget for the Medium-Term Management Plan by + JPY 100 bn.  
Proactively enhance competitiveness through strengthening digital channels as well as governance.



A strong corporate infrastructure is a critical element in controlling the cost of capital, and building a stable IT system foundation is essential for achieving this.

To solidify this foundation through digital transformation, we decided to increase the IT investment over the three years of the Medium-Term Management Plan from JPY 650 bn to JPY 750 bn, an increase of JPY +100 bn.

This represents an increase of more than JPY +200 bn compared to the previous plan.

We will vigorously promote both growth investments for creating new businesses and corporate infrastructure investments for strengthening governance. Additionally, the number of applications for generative AI is also increasing, driven by the sharing of use cases among employees and the expansion of its capabilities. We will strive to improve efficiency in areas traditionally reliant on human labor and to create new business opportunities.

## Sophisticate human capital management

SMBC Talent Policy | Realize the workplace and teams  
where diverse professional talents aim high and feel rewarding

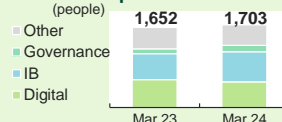
## ● Manage HR portfolio

Allocate resource appropriately  
(people)

Improve efficiency	(3,100)
Strategic areas	+8,500

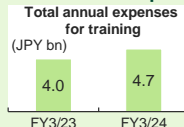
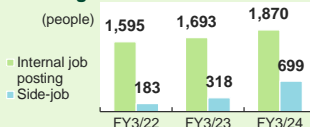
## Secure a diverse talent

Mid-career recruitment	41%
Managers from mid-career recruitment	19%

Certified experts  
(people)

## ● Promote employees' growth

## Human resource development

Challenge for new business  
(people)

## Career development

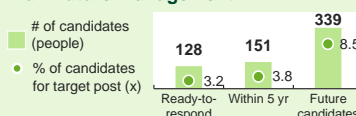
Start stock options program  
for executives  
of in-house startups

## ● Maximize team performance

## Inclusion of diverse talents

	Mar.24	Target
Female directors	21%	30%
Female managers	20%	25%
Foreign directors	24 <sup>*1</sup>	25

## Train future management



## Stock-based compensation plan

Employees and management commit to  
improve corporate value

\*1 As of Apr.24

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Next, let's discuss human capital management.

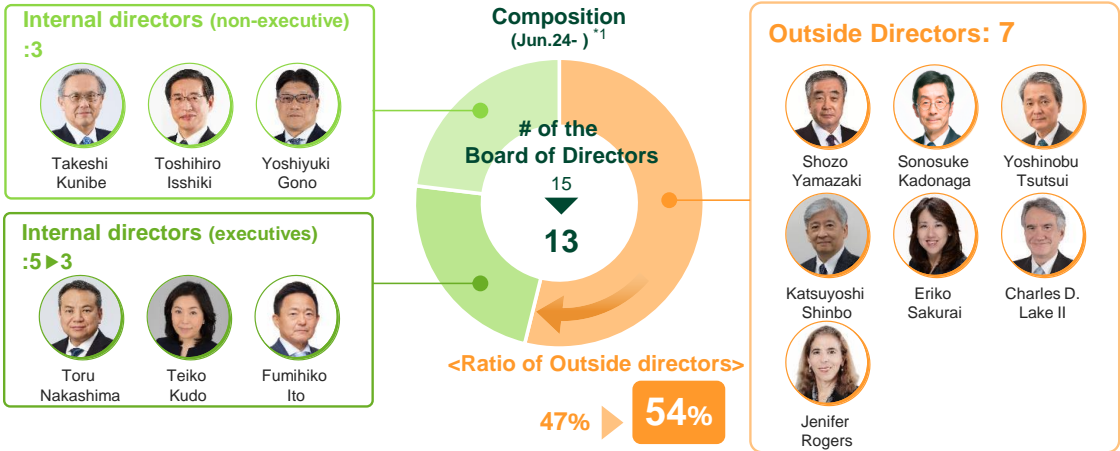
Our people are the foundation of our growth strategies.

I aim to create a company where employees can fully demonstrate their professional abilities with passion and pride, and realize their dreams through their work.

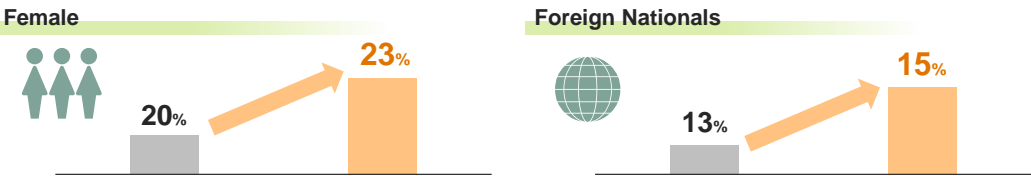
In FY3/25, SMBC expects to increase its investment in human capital by 7% YoY. We aim to maximize our human resource capabilities by allocation resources to growing areas, securing talented individuals, enhancing training in digital, global, and management skills, and promoting Diversity, Equity, and Inclusion (DE&I).

We will also consider the best approach to our personnel system that aligns with the evolving times.

Diversify the Board of Directors



Improve diversity in the Board of Directors



<sup>\*1</sup> Subject to resolution at the Ordinary General Meeting of Shareholders on Jun. 24

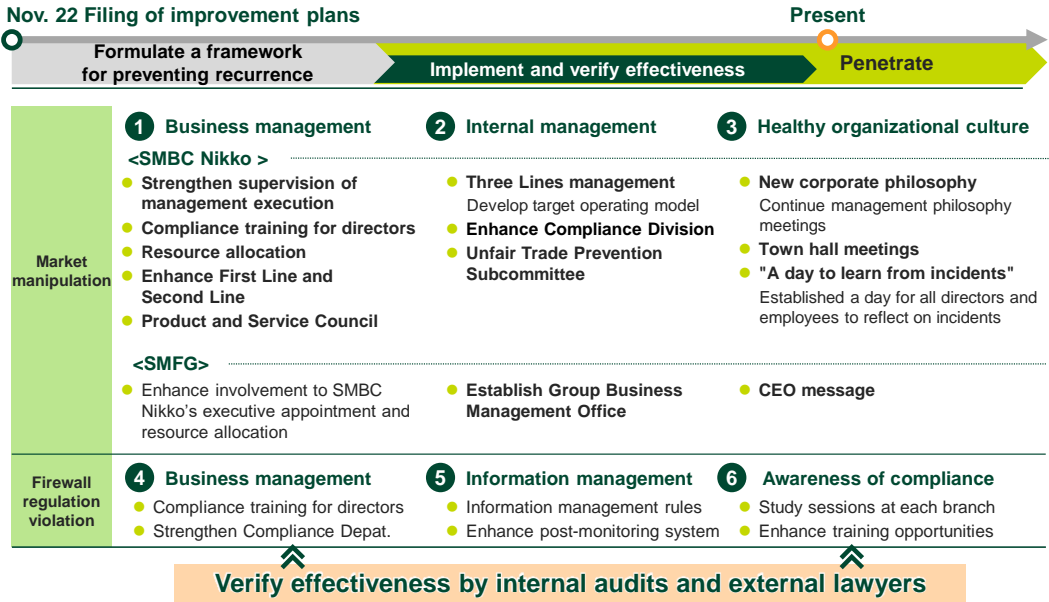
Improving the quality of governance and compliance is also essential to strengthening corporate infrastructure.

To its end, we are diversifying our Board of Directors.

Following the resolution at the General Meeting of Shareholders in June, the ratio of outside directors is expected to increase to a majority, and the ratios of female and foreign nationals are also expected to rise.

Improve the quality of governance and compliance

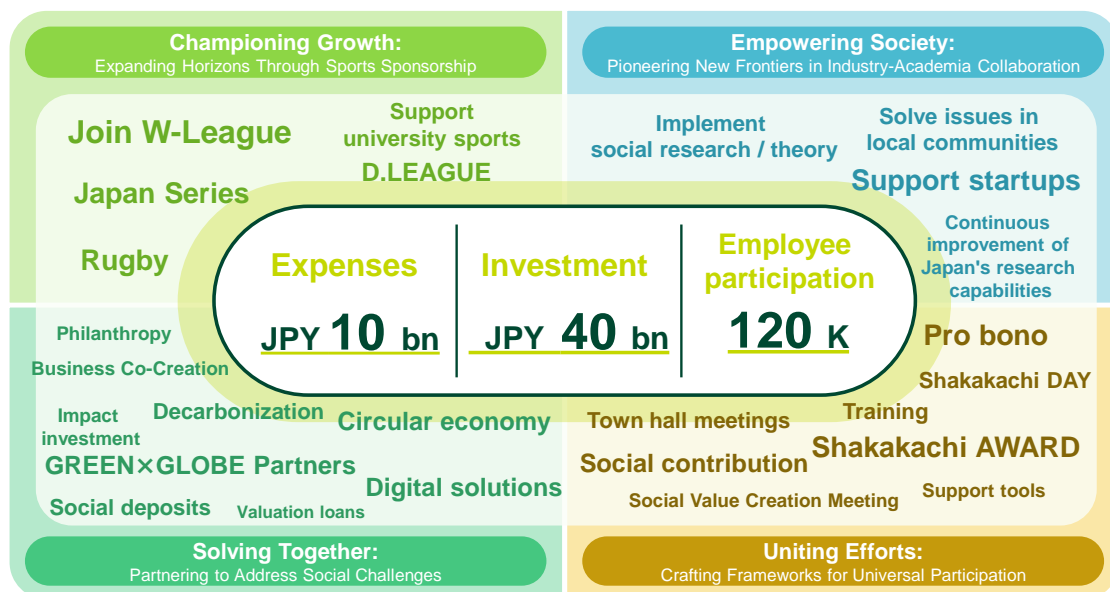
Completed verification of measures to prevent recurrence.  
Continue further penetration and implementation of the measures under new CEO's leadership.



We have completed the verification of the implementation of measures to prevent the recurrence of the incident in FY3/23 and have entered the phase of establishment and penetration.  
To avoid such an event in the future, I will repeatedly remind our employees, with the goal of strengthening governance and reforming our corporate culture.

## Create social value through universal participation

Allocate a JPY 10 bn expense budget, equivalent to 1% of bottom-line profit, to accelerate initiatives to create social value.



Creating social value is one of the pillars of our management strategy in the current Medium-Term Management Plan, complementing the pursuit of economic value. We have identified five key materiality issues - "environment," "poverty and inequality," "DE&I and human rights," "regrowth of Japan," and "declining birthrate and aging population" - by listening to our employees' opinions, and it has become clear what we need to address.

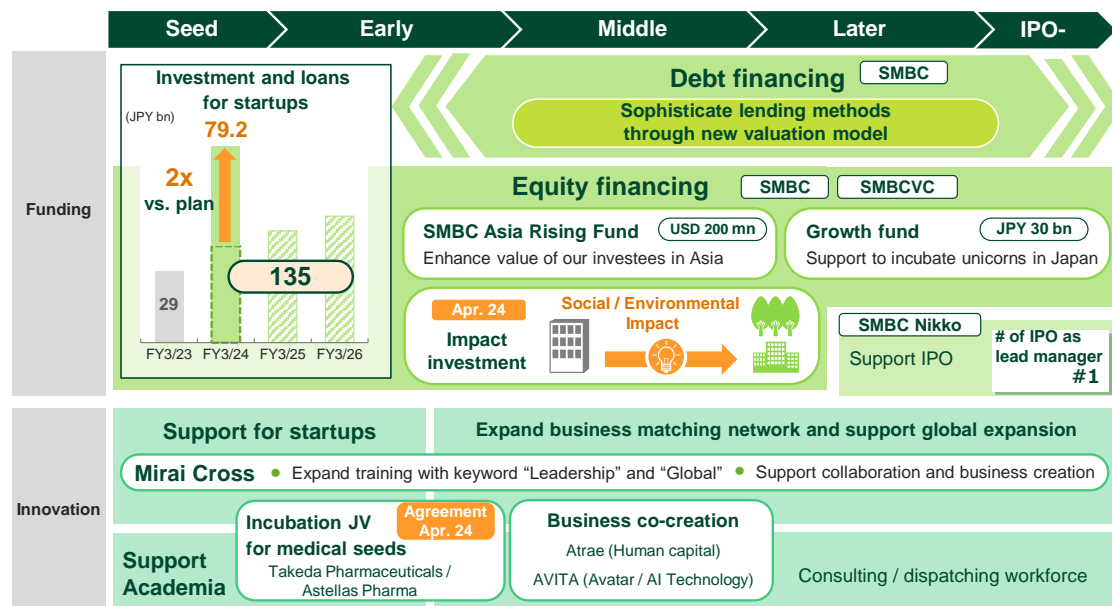
In FY3/25, we will enhance our system and begin full-scale initiatives. Many leading global companies return about 1% of their profits to society. We have grown thanks to our customers and society, and we wish to give back to them.

With this intention, we have decided to allocate JPY 10 bn of annual expenses to create social value, which is approximately 1% of our bottom-line profit.

We have also established a new investment budget of JPY 40 bn. With the participation of all 120,000 employees, we are committing to seriously addressing the five materialities.

## Support startups

Contribute to Japan's regrowth by supporting clients at every stage and revitalizing the ecosystem.



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The startup business, which is growing due to the government's five-year plan, is also one of initiatives for creating social value.

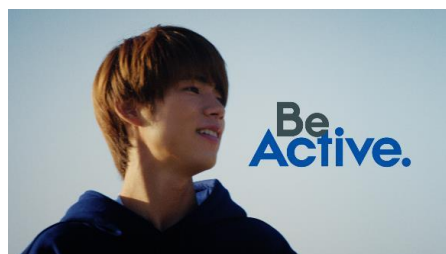
The investment and loans in FY3/24 have already reached JPY 79.2 bn, significantly exceeding our expectations compared to the three-year target of JPY 135 bn.

In addition to further providing debt and equity, we will continue to support startups from academia, their expansion in overseas, and the revitalization of the ecosystem. Through those initiatives, we hope to contribute to the creation of new industries and jobs that will support Japan's future.

## Champion growth through sports sponsorship



Sumitomo Mitsui DS Asset Management

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Supporting sports is one of the areas I would like to focus on, as my dedication to rugby as a student has become the foundation for who I am today.

SMBC Group has sponsored various sports events such as the Japan Professional Baseball Series and the Japan Rugby National Team, which resonate with our management philosophy and Five Values.

We will continue to foster talent development through sports, for example, by supporting the women's basketball team's participation in the W League and creating systems that enable university students to lead high-quality competitive sports lives while balancing their studies and sports.



(Ref.) Enhance disclosure including social impact

Enhance disclosure of natural capital, human rights, climate change, etc. in various reports.  
Disclose impact indicators going forward.

Annual Report



TCFD Report



TNFD Report



Human Rights Report



Website



Wide range of contents

- Sustainability policy
- SMBC Group's sustainability initiatives
- Various reports / data

Impact indicators

Expand disclosure in addition to KPIs of the Medium-Term Management Plan

Environment	Sustainable finance
DE&I / Human Rights	Engagement score
Poverty & Inequality	# of microfinance borrowers
Declining birthrate & Aging population	AM / Foreign currency balance
Japan's Regrowth	Investment and loans for startups



Example of impact indicators

Contribution of GHG reduction	Customers below the poverty line <sup>*1</sup>
19 mn t-CO2 (FY3/23)	11% improvement in last three years

\*1 BTPN Syariah





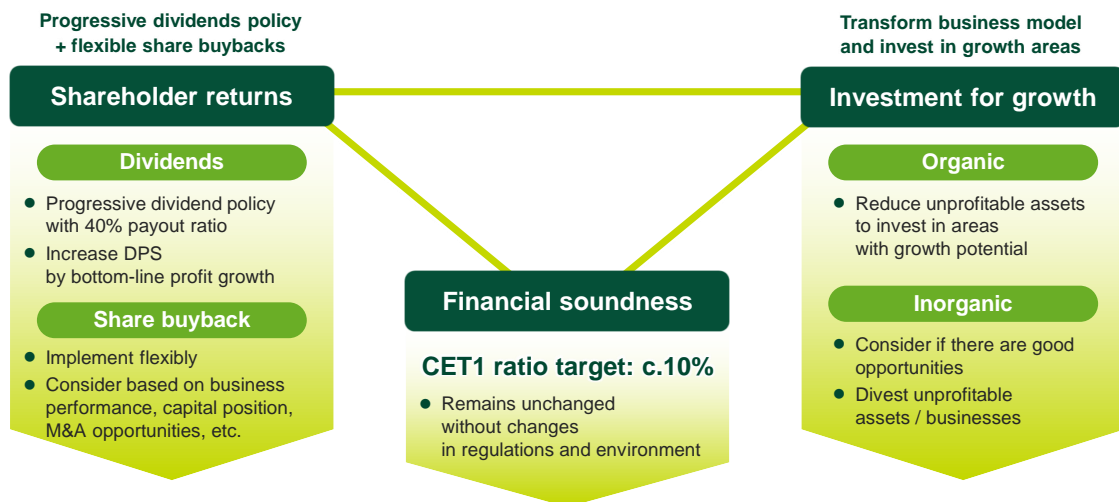
## Capital Policy

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Next, I would like to explain our capital policy.

## Basic capital policy

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



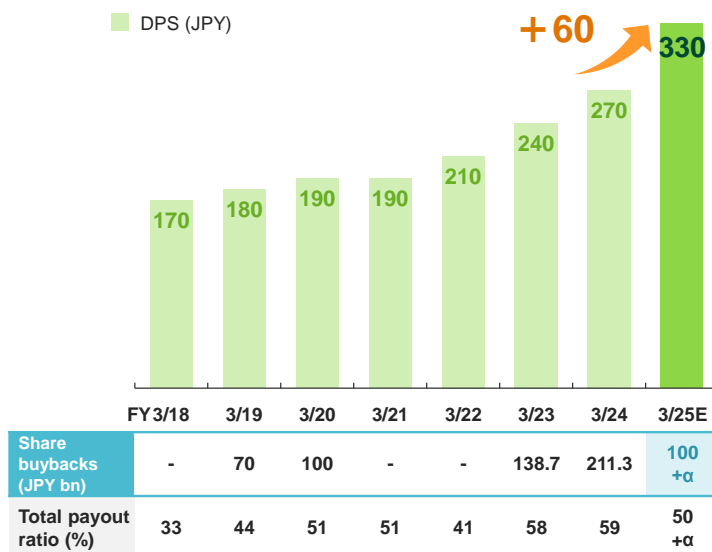
**Growth with Quality**

Our basic capital policy remains unchanged.  
We continue to achieve healthy balance among securing financial soundness, enhancing shareholder returns, and investing for growth.

## Shareholders return

Dividend: increased to JPY 330/share (+60 YoY, 40% of dividend payout ratio)

Share buybacks: resolved up to JPY 100 bn and will consider additional purchases during this fiscal year



## Shareholder returns in FY3/25

## Dividend

- FY25/3 forecast is **JPY 330**<sup>\*1</sup> (40% of dividend payout ratio)
- Largest DPS increase ever (+60)

## Share buybacks

- Resolved **JPY 100 bn** in May
- Will consider additional purchases, depending on our financial progress, RWA accumulation, M&A opportunities, stock price, etc.

Stock split<sup>\*2</sup>

Seek to develop a more investor-friendly environment

Ratio

Split into **3**

<sup>\*1</sup> DPS after stock split: JPY 110

<sup>\*2</sup> Will be effective on Oct.1<sup>st</sup>, 2024, following the approval of partial amendments to the Articles of Incorporation related to the stock split at our ordinary general meeting of shareholders to be held on Jun.27<sup>th</sup>, 2024

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Forecasted dividend per share for FY3/25 has been increased to JPY 330, a rise of JPY 60 from FY3/24, making the highest increase ever.

This increase aligns with our capital policy in Medium-Term Management Plan, where we aim to maintain a dividend payout ratio of 40% and realize an increase in dividend through bottom-line profit growth.

We have also announced share buybacks of up to JPY 100 bn.

We will consider additional purchase during this fiscal year depending on our financial progress, accumulation of RWA, opportunities of investment for growth, our stock price, etc.

Additionally, we have announced a stock split to reduce the stock price per investment unit, taking into account the current level of ours.

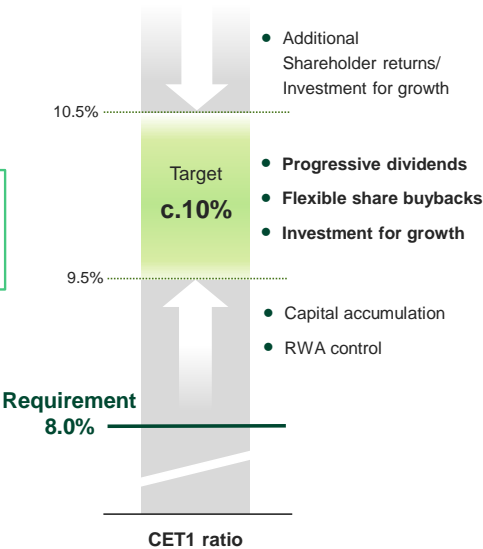
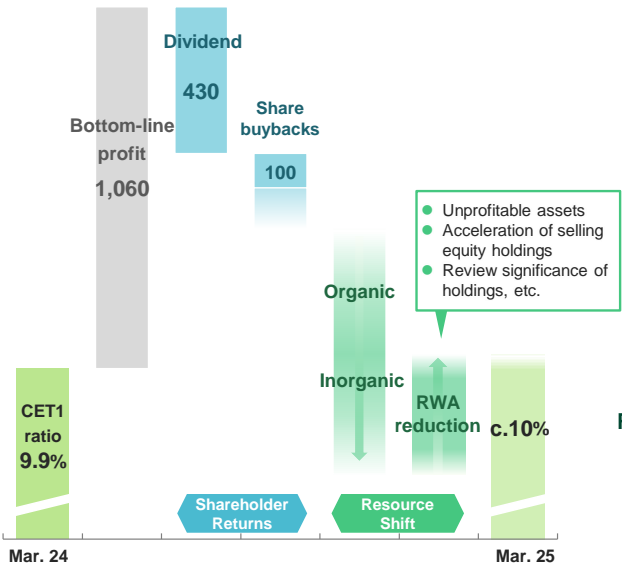
We will seek approval for the partial amendments to the Articles of Incorporation related to the stock split at the general meeting of shareholders next month, with the effective date being October 1, 2024.

(Ref.) Capital Allocation

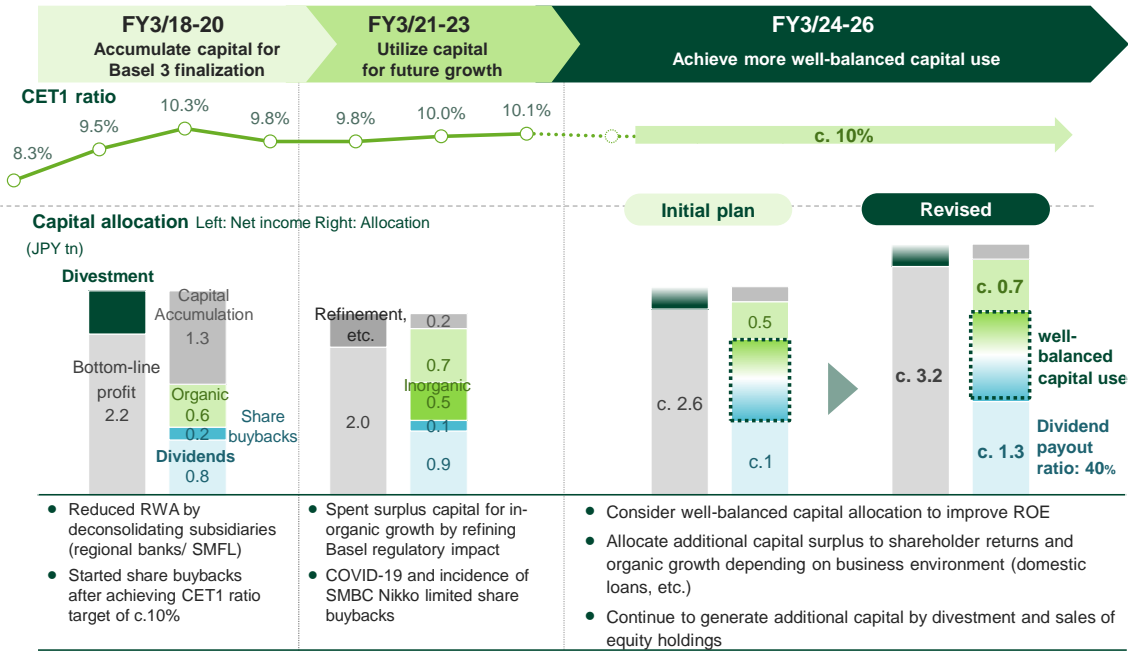
FY3/25 outlook

CET1 ratio target

(JPY bn)

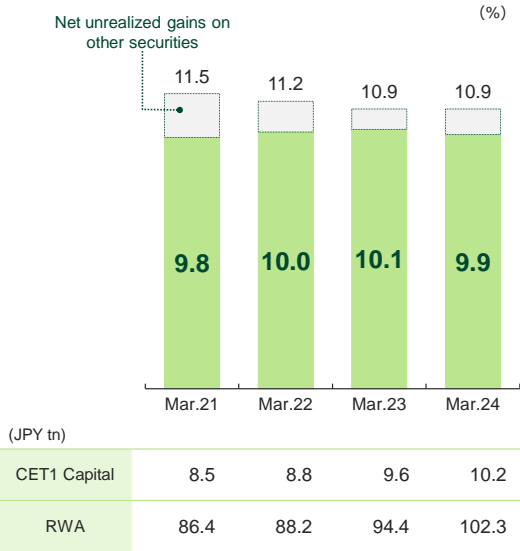


(Ref.) History of capital allocation

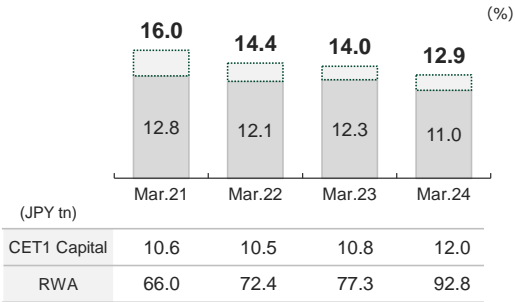


(Ref.) CET1 ratio

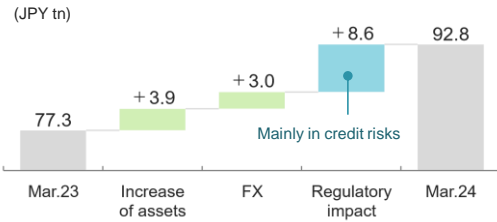
Finalized Basel III basis (financial target)



Transitional basis



Breakdown of RWA increase





Lastly, I would like to talk about the slogan I established for our employees upon becoming CEO: “Make a breakthrough.”

The former CEO, Mr. Ohta, always encouraged employees to “break a mold,” urging them to generate new ideas without being constrained by stereotypes, precedents, or organizational logic.

Embracing this mindset, I have adopted this slogan to inspire us to transform our courage into tangible actions.

Japan is finally moving beyond the “lost 30 years,” and a positive momentum is taking hold.

Now, more than ever, it is time to welcome change and actively pursue opportunities.

With this vision, I see a company where each of the 120,000 individuals in our group possesses the courage to make a breakthrough, approaching their work with determination, pride, and the willingness to advance boldly.

This is the end of my presentation.

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



# Financial Results of FY3/2024

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	(JPY bn)	FY3/24	YoY	vs. target
1 Consolidated gross profit		3,738.8	+568.6	
2 G&A expenses		2,250.6	+301.3	
Overhead ratio		60.2%	(1.3)%	
3 Equity in gains (losses) of affiliates		72.0	+16.5	
4 Consolidated net business profit		1,560.2	+283.8	+160.2
5 Total credit cost		274.0	+63.9	+44.0
6 Gains (losses) on stocks		249.8	+94.0	
7 Other income (expenses)		(69.9)	(8.7)	
8 Ordinary profit		1,466.1	+305.2	+146.1
9 Extraordinary gains (losses)		(123.8)	(61.3)	
10 Income taxes		373.7	+91.5	
11 Profit attributable to owners of parent		962.9	+157.1	+42.9
12 ROE incl. OCI <sup>*1</sup>		7.0%	+0.5%	
13 ROE <sup>*2</sup>		9.2%	+1.2%	

\*1 Denominator: Shareholder's equity + total accumulated other comprehensive income

\*2 Based on shareholder's equity

\*3 Bank of East Asia

- **Consolidated gross profit:** increased YoY due to
  - 1) recovery of SMBC Nikko,
  - 2) strong performance of SMCC, and
  - 3) increase of income on loan in domestic and overseas.
 Impact of FX: +145
- **G&A expenses:** increased YoY mainly due to
  - 1) inflation: +54,
  - 2) higher variable marketing cost : +62, and
  - 3) strategic investment for future growth
 Impact of FX: +66
- **Equity in gains of affiliates:** increased YoY due to less impact of impairment (+23) and insurance settlement (+48) at SMBCAC, despite loss of gains on change in equity in the BEA<sup>\*3</sup> (20) and impairment of FE Credit (46) Impact of FX: +4
- **Total credit cost:** increased due to
  - 1) expanding consumer finance business: +20,
  - 2) booked forward looking provisions in 4Q:+36, and
  - 3) recorded provisions for several large borrowers
- **Gains on stocks:** increased due to gains on sales of equity holdings: 279 (YoY+145), while impairment of overseas investment was recorded: (39)
- **Other expenses:** Allowance on interest repayment: 23. YoY (6)
- **Extraordinary losses:** Loss for sales of U.S. freight car leasing businesses (108)

## SMBC

	(JPY bn)	FY3/24	YoY	vs. target
1 <b>Gross banking profit</b>		1,885.2	+185.7	
2 o/w Net interest income		1,166.0	+1.8	
3 o/w Gains (losses) on cancellation of investment trusts		20.8	(18.6)	Absence of dividend from subsidiary: (42) ⇒ eliminated in the consolidated P/L
4 Domestic		609.2	(25.5)	
5 Overseas		556.8	+27.4	
6 o/w Net fees and commissions		529.7	+73.7	
7 Domestic		248.6	+31.2	
8 Overseas		281.2	+42.4	
9 o/w Net trading income+ Net other operating income		186.5	+109.6	
10 o/w Gains (losses) on bonds		(45.5)	+41.3	
11 <b>Expenses</b>		983.9	+100.3	
12 <b>Banking profit</b>		901.3	+85.4	+136.3
13 <b>Total credit cost</b>		96.3	(19.2)	+11.3
14 <b>Gains (losses) on stocks</b>		235.9	+94.3	
15 <b>Extraordinary gains (losses)</b>		(0.5)	(24.3)	
16 <b>Net income</b>		762.6	+128.5	+122.6

\*1 Incl. impact from reorganization of SMBC Mobit

\*2 Incl. profits from SMBC Nikko America and SMBC Capital Markets (managerial accounting basis)

\*3 Mainly due to the goodwill impairment of the equity method affiliate FE Credit (JPY46 bn) \*4 Managerial accounting basis

## Other major group companies

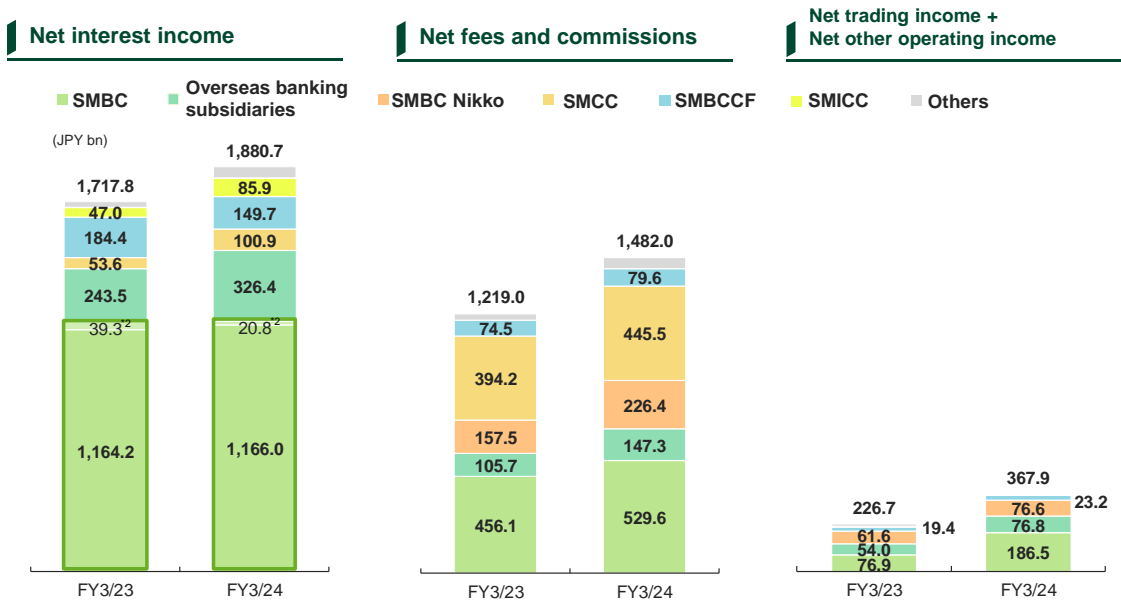
(left : results of FY3/24 / right : YoY)						
(JPY bn)	SMCC <sup>*1</sup>		SMBC Nikko <sup>*2</sup>		SMBCCF <sup>*1</sup>	
<b>Gross profit</b>	547.8	+53.8	473.6	+109.0	252.5	+18.8
<b>Expenses</b>	451.8	+51.5	401.7	+30.3	103.9	+2.0
<b>Net business profit</b>	98.0	+3.8	71.9	+78.7	91.3	(22.4) <sup>*3</sup>
<b>Net income</b>	25.6	(4.6)	55.7	+70.7	(4.4)	(40.1)

(Equity method affiliate)						
	SMBC Trust		SMDAM		SMFL <sup>*4</sup>	
		50%		50%		
<b>Gross profit</b>	72.8	+14.5	42.4	+6.3	291.7	+20.7
<b>Expenses</b>	40.7	+3.8	33.2	+3.0	127.5	+5.1
<b>Net business profit</b>	32.1	+10.7	9.2	+3.4	173.0	+14.6
<b>Net income</b>	25.7	+8.6	4.2	+2.5	128.4	+76.6

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Net interest income has increased at overseas banking subsidiaries and SMICC.  
Net fees and commissions has recovered in SMBC Nikko and continued to increase in SMBC / SMCC.

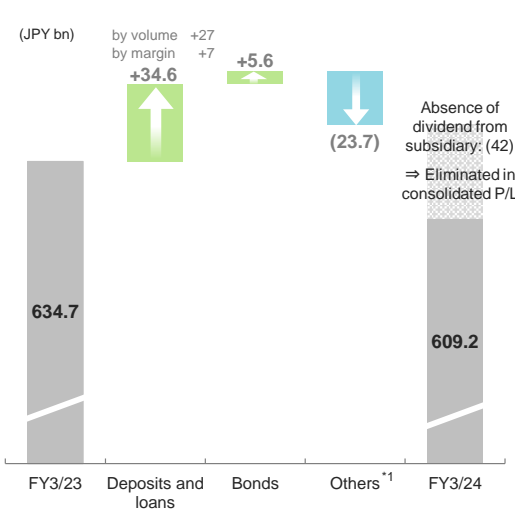


\*1 Figure for FY3/23 has not been adjusted to the reorganization of SMBC Mobit in Apr.23  
\*2 Gains on cancellation of investment trusts

# (Ref.) Net interest income (SMBC)

## Domestic

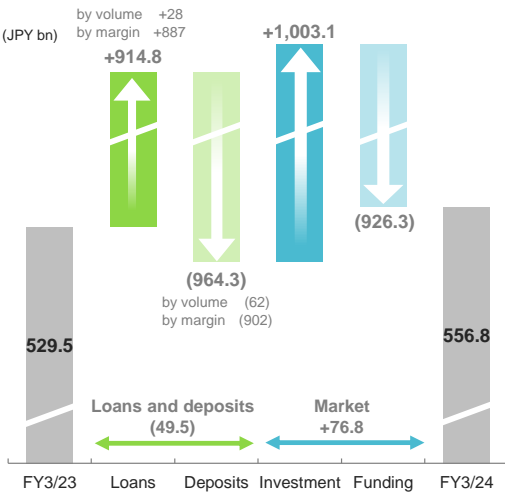
- Income from deposits and loans increased, while gains on cancellation of investment trusts decreased.



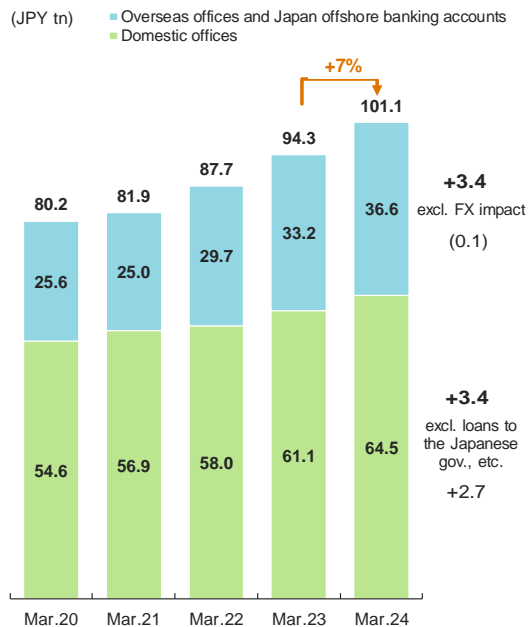
\*\*1 Gains and losses on cancellation of investment trusts, etc.

## Overseas

- Increased mainly due to improvement of loan margin and yield of foreign currency denominated bonds.



## Loan balance



## Domestic loan-to-deposit spread

	FY3/24	YoY	1H	2H
Interest earned on loans and bills discounted	0.84	+0.01	0.82	0.85
Interest paid on deposits, etc.	0.00	(0.00)	+0.00	0.00
Loan-to-deposit spread	0.84	+0.01	0.82	0.85
(Ref.) Excl. loans to the Japanese government, etc.				
Interest earned on loans and bills discounted	0.86	+0.02	0.84	0.87
Loan-to-deposit spread	0.86	+0.02	0.84	0.87

Average loan balance and spread<sup>2</sup>

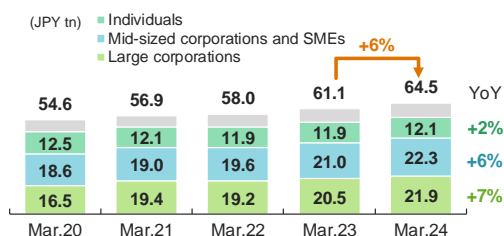
	Balance (JPY tn)		Spread (%)	
	FY3/24	YoY <sup>4</sup>	FY3/24	YoY
Domestic loans	60.2	+2.6	0.73	+0.01
Excl. loans to the Japanese government, etc.	57.5	+2.6	0.75	+0.01
o/w Large corporations	20.8	+1.2	0.58	+0.03
o/w Mid-sized corporations & SMEs	21.3	+1.2	0.64	+0.02
o/w Individuals	11.9	+0.1	1.37	(0.03)
GBU's interest earning assets <sup>3</sup>	345.7 USD bn	(23.7) USD bn	1.23	+0.05

\*1 SMBC \*2 Managerial accounting basis \*3 Sum of SMBC, Major local subsidiaries and SMBC Trust, etc. Sum of loans, trade bills, and securities. Change the definition of the spread due to cessation of USD Libor: from difference with the benchmark interest rate to with the cost of funds \*4 After adjustments for exchange rates, etc.

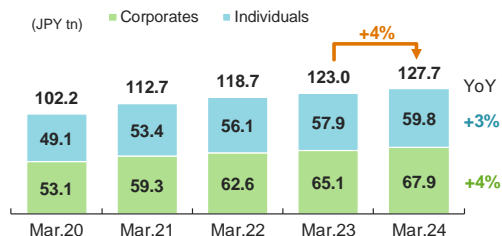
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Loan balance increased in corporates by providing funding support related to corporate reorganizations, and loan spread has been improving by focusing on profitability.

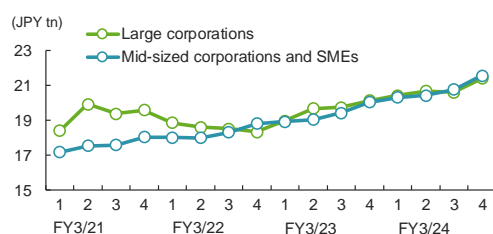
## Loan balance\*2



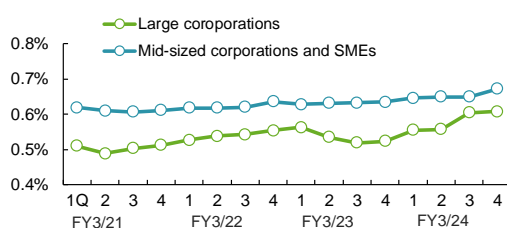
## Deposit balance



## Loan average balance for corporates\*2,3



## Loan spread for corporates\*2,4



\*1 SMBC \*2 Managerial accounting basis \*3 Quarterly average (excl. loans to the Japanese government)

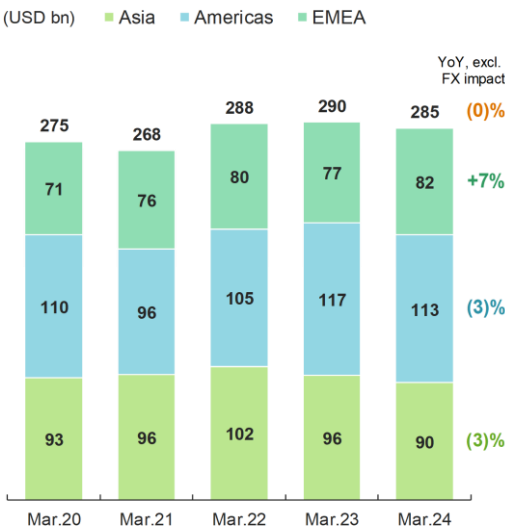
Figures for SMEs are the outstanding balance of Corporate banking division

\*4 Loan spread of existing loans (excl. loans to the Japanese government)

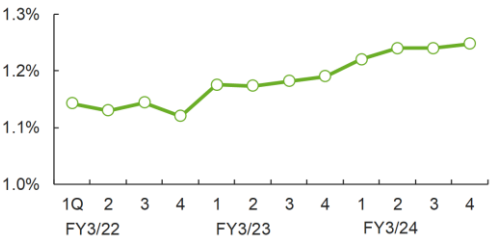
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Reduction of low-profitable assets offset increase from new lending, while also improving the loan spread.

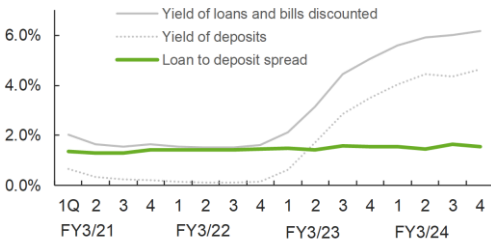
Loan balance



Loan spread\*2

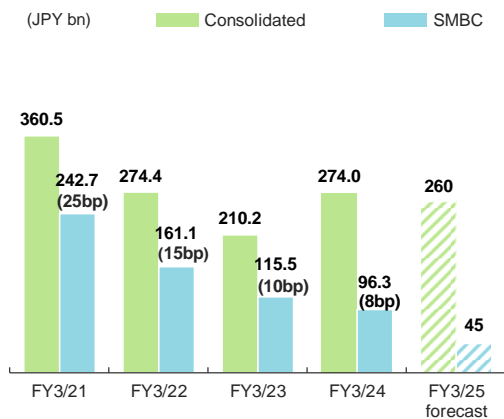


Loan to deposit spread



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

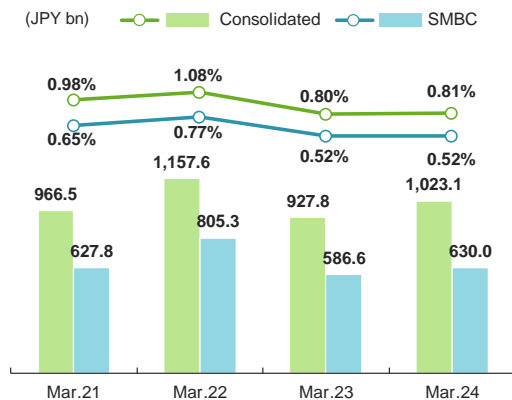
## Credit costs



## Major group companies

	(JPY bn)	FY3/24	YoY
SMBCCF		58	+9 <sup>*2</sup>
Overseas banking subsidiaries		54	+43
SMCC		52	+11 <sup>*2</sup>
SMICC		24	+15
Adjustments of FX		(14)	(3)

## Non-performing loan ratio and balance<sup>\*1</sup>



## Total claims

	(JPY tn)		
Consolidated	107	116	126
SMBC	104	113	120

## Claims on borrowers requiring caution (excl. claims to substandard borrowers)

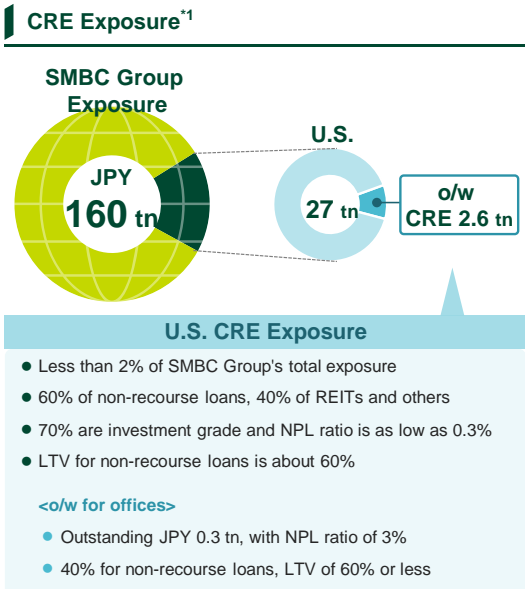
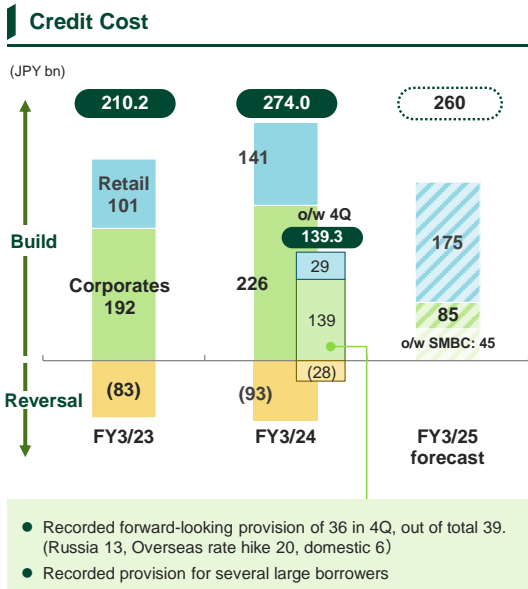
SMBC	1.9	1.8	1.8
------	-----	-----	-----

\*1 NPL ratio = NPLs based on the Banking Act and the Reconstruction Act (excl. normal assets) / Total claims

\*2 The figure for YoY change has been adjusted to the reorganization of SMBC Mobit in Apr.23



Credit costs increased mainly due to business expansion in the retail business and overseas subsidiaries



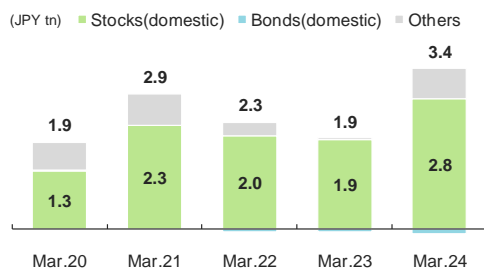
\*1 SMBC consolidated, based on the country where the head office is located and managerial accounting basis

## Breakdown of other securities (consolidated)

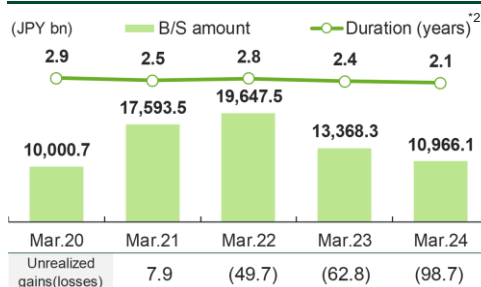
(JPY bn)	B/S amount		Unrealized gains (losses)	
	Mar.24	vs Mar.23	Mar.24	vs Mar.23
<b>Held-to-maturity</b>	234.1	+68.5	(1.4)	(1.0)
<b>Available for sales</b>	36,132.8	+3,667.8	3,393.1	+1,477.9
Stocks (domestic)	4,119.8	+774.4	2,837.0	+892.2
Bonds (domestic)	10,760.4	(2,417.1)	(100.1)	(35.9)
o/w JGBs	7,547.4	(2,028.9)	(54.8)	(18.4)
Others	21,252.7	+5,310.6	656.2 <sup>*1</sup>	+621.6
o/w Foreign bonds	16,836.2	+3,754.7	(690.6)	+6.7

Risk volume is controlled by hedging and others

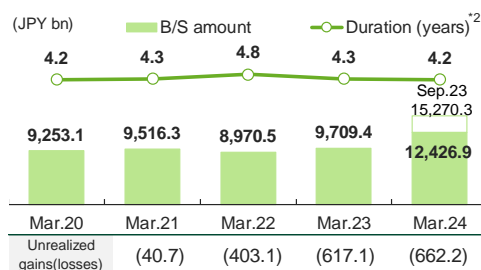
## Unrealized gains



## Yen-denominated bonds (SMBC)



## Foreign bonds (SMBC)



\*1 The difference between foreign bonds and others is unrealized gain on foreign stocks

\*2 Managerial accounting basis (excl. bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds)

Consolidated

(vs Mar.23)

Loans	
JPY 107.0 tn (+JPY 8.6 tn)	
Domestic loans <sup>*1</sup>	JPY 64.5 tn

Securities	
JPY 37.1 tn (+JPY 3.9 tn)	
JGBs	JPY 7.5 tn
Foreign bonds	JPY 16.8 tn

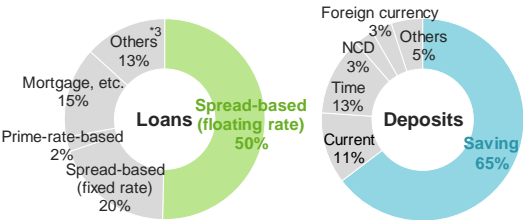
Others	
JPY151.1 tn (+JPY 12.3 tn)	
Cash and due from banks	JPY 78.1 tn
BoJ's current account <sup>*1</sup>	JPY 57.8tn

Deposits	
JPY 179.5 tn (+JPY 7.7 tn)	
Loan to deposit ratio 59.6%	
Domestic deposits <sup>*1</sup>	JPY 127.7 tn
NCD	JPY 14.7 tn

Others	
JPY100.9 tn (+JPY 15.1 tn)	
Total net assets JPY 14.8tn (+JPY 2.0tn)	

Total assets JPY 295.2 tn (+JPY 24.8 tn)

Domestic loans and deposits<sup>\*2</sup>



Impact of possible interest hike<sup>\*4</sup>



	Mar. 24	Assumption
Floating rate loan	+10bps	+10bps in both short-term and long-term rate
Prime-rate based loan	-	
Fixed rate loan	-	
BOJ current account	+10bps	
JGBs	+10bps	
Ordinary deposit	+2bps	
Time deposit	+3bps	

<sup>\*1</sup> SMBC <sup>\*2</sup> Managerial accounting basis <sup>\*3</sup> Overdraft, foreign-currency-denominated, etc.  
<sup>\*4</sup> Based on assumption of no change in balance sheet <sup>\*5</sup> Based on assumption and will change by market environment

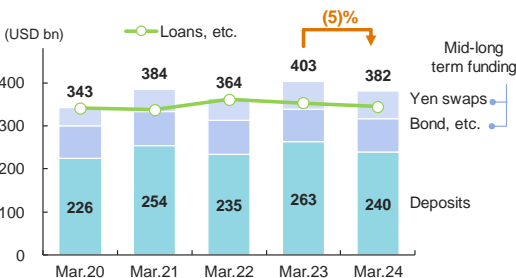
Non-JPY B/S<sup>\*1,2</sup>

(vs Mar.23)

<b>Interest earning assets</b>	<b>Deposit<sup>*3</sup></b>
<b>USD 345 bn</b> (USD (8) bn)	<b>USD 240 bn</b> (USD (23) bn)
<b>Others</b>	<b>Mid-long term funding<sup>*4</sup></b>
<b>USD 139 bn</b> (USD (17)bn)	<b>USD 142 bn</b> (+USD 2 bn)
<b>Foreign bonds, NCD</b>	<b>CD/CP</b>
<b>USD 84 bn</b> (+USD 14 bn)	<b>USD 82 bn (+USD 10 bn)</b>
	<b>Interbank (incl. Repo)</b>
	<b>USD 103 bn</b> (+USD 0 bn)

Assets / Liabilities USD 567 bn (USD (11) bn)

Foreign currency balance



(Ref.) Impact of change in foreign interest rate

Loan/deposit

- Most of the loans and deposits are based on market rate
- Net interest income increase by JPY 20 bn when interest rate increase by 1%, as a part of the deposits have low sensitivity to interest rate and vice versa

<sup>\*1</sup> Managerial accounting basis <sup>\*2</sup> Sum of SMBC and major local subsidiaries  
<sup>\*3</sup> Incl. deposits from central banks <sup>\*4</sup> Corporate bonds, currency swaps, etc.

## Results by Business Unit (1)

Plan for  
Fulfilled Growth

### Retail

- Both gross profit and net business profit increased as every business performed well. The overhead ratio decreased, even though expenses increased due to growing payment business.
- Net income decreased as credit cost of consumer finance increased in 1H (well managed in 2H.)

(JPY bn)	FY3/24	YoY <sup>*1</sup>
Gross profit	1290.0	+120.0
Income on loans and deposits <sup>*2</sup>	113.8	(4.1)
Wealth management business	299.6	+50.7
Payment business	550.1	+53.3
Consumer finance business	290.0	+19.4
Expenses	1079.9	+83.2
Over head ratio	83.7%	(1.5)%
Base expenses	751.3	+1.4
Net business profit	215.7	+37.7
Total credit cost	112.3	+22.8
Net income	38.0	(23.9)
ROCET1	3.0%	(2.0)%
RWA (JPY tn)	14.4	+0.9

### Wholesale

- Loan income improved through enhancements in both balance and spread, while fee income also saw an increase.
- Net income increased significantly due to gains on sales of equity holdings on top of increase in net business profit, although credit costs also rose.

(JPY bn)	FY3/24	YoY <sup>*1</sup>
Gross profit	835.2	+93.2
Income on loans and deposits	341.7	+36.3
FX and money transfer fees	136.1	+0.1
SMBC Loan syndication	48.4	+2.0
Structured finance	47.1	+26.6
Real estate finance	15.7	+0.5
Securities business	69.4	+30.8
Expenses	311.0	+24.8
Over head ratio	37.2%	(1.4)%
Base expenses	294.3	+12.6
Net business profit	632.1	+74.8
Total credit cost	68.4	+38.1
Net income	576.2	+120.6
ROCET1	15.0%	+3.0%
RWA (JPY tn)	36.1	+0.7

\*1 Managerial accounting basis (after adjustments of the changes in exchange rates)  
\*2 Excl. consumer finance

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## Global

- Net business profit improved due to an increased in 1) income on loan and deposit and 2) equity in gains of affiliates including insurance settlement of aircraft leasing.
- Net income increased while recording loss for sales of U.S. freight car leasing business.

(JPY bn)	FY3/24	YoY <sup>1</sup>
Gross profit	1375.9	+159.7
Income on loans and deposits	701.0	+81.8
Loan related fees	256.4	+39.5
Securities business	83.7	+14.4
Expenses	809.3	+101.3
Over head ratio	58.8%	+0.6%
Base expenses	746.8	+58.2
Equity in gains(losses) of affiliates	26.2	+55.7
Net business profit	644.9	+121.2
Total credit cost	76.2	+1.4
Net income	318.2	+27.6
ROCET1	6.3%	+0.3%
RWA (JPY tn)	48.8	+0.1

## Global market

- Banking profit increased steadily by the nimble operation adapting to new market environment.
- Sales and trading business shows good performance as customer flow was strengthen through enhancement of global expansion and collaboration.

(JPY bn)	FY3/24	YoY <sup>1</sup>
Gross profit	526.2	+64.4
SMBC	323.8	+21.4
SMBC Nikko	149.0	+30.7
Expenses	165.3	+14.8
Over head ratio	31.4%	(1.2)%
Base expenses	98.5	+3.2
Net business profit	389.9	+49.8
Net income	272.9	+34.8
ROCET1 <sup>2</sup>	17.8%	+2.1%
RWA (JPY tn)	7.9	+1.9

\*1 Managerial accounting basis (after adjustments of the changes in exchange rates)  
\*2 Incl. impact from the interest-rate risk associated to the banking account



## Appendix

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Sumitomo Mitsui Financial Group

Consolidated total assets JPY 295 tn

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

Consumer Finance

Sumitomo Mitsui Card	SMBC Consumer Finance
[100%]	[49%]
SMFG India Credit Company	FE Credit

Leasing

[50%]	[SMBC 32%, SMFL 68%]
Sumitomo Mitsui Finance and Leasing	SMBC Aviation Capital

Consolidated subsidiary      Equity-method affiliate

Banking

Sumitomo Mitsui Banking Corporation	SMBC Trust Bank
Moody's   S&P   Fitch	[91%]
A1   A   A	PT Bank BTPN Tbk
[15%]	[20%]
VPBank	Rizal Commercial Banking Corporation

Securities

SMBC Nikko Securities

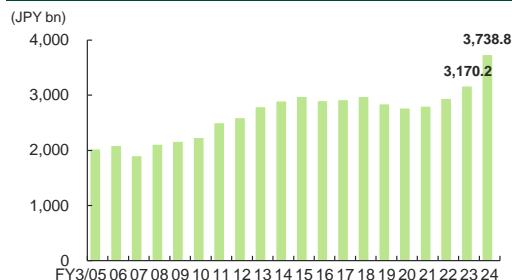
Others

	[50.1%]
Japan Research Institute	Sumitomo Mitsui DS Asset Management

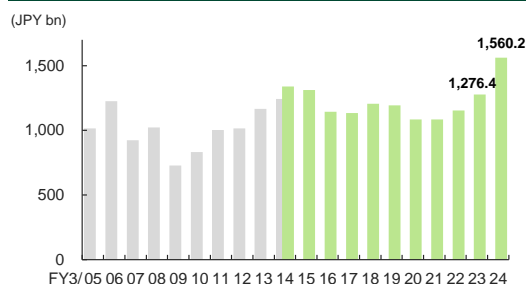
\* As of Mar.24, Rating of SMBC is as of May. 2, 2024



## Consolidated gross profit



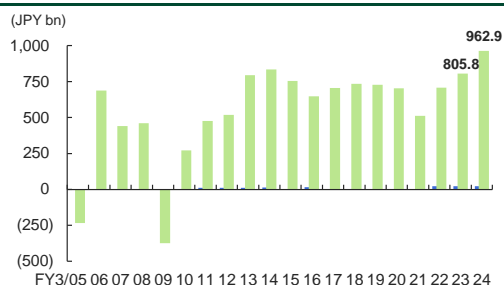
## Consolidated net business profit <sup>\*1</sup>



## Breakdown of consolidated gross profit

	FY3/03	FY3/24
SMBC's domestic loan / deposit related	35%	13%
International business (banking)	5%	36%
Group companies excluding SMBC	18%	35%

## Profit attributable to owners of parent

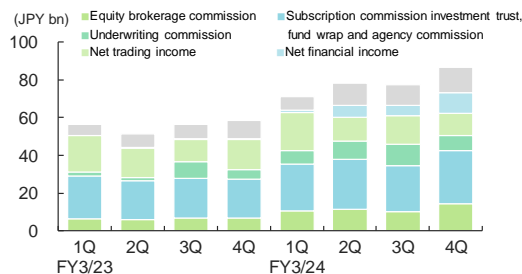


\*1 Changed definition of consolidated net business profit from FY3/15. Adjusted retrospectively for FY3/14.

## Financial results

(JPY bn)	FY3/23	FY3/24	YoY
Net operating revenue	222.8	313.3	+90.5
SG&A expenses	267.3	285.8	+18.5
Ordinary income	(42.1)	31.9	+74.0
Net income	(39.8)	16.2 <sup>*1</sup>	+56.0

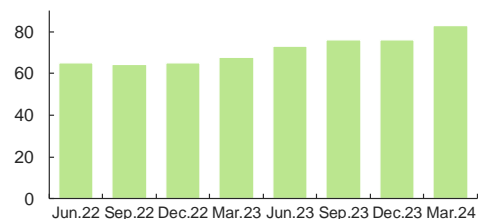
## Net operating revenue



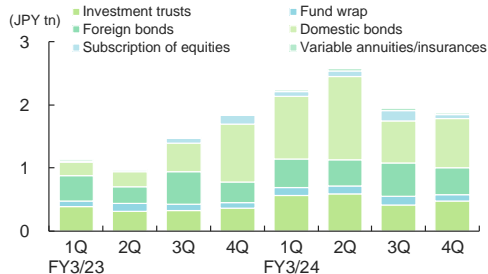
\*1 Recorded JPY 7.9 bn of loss on sale of shares of a subsidiary related to Intermediate Parent Undertaking (IPU) requirement (eliminated on consolidated basis)

## Client assets

(JPY tn)



## Product sales

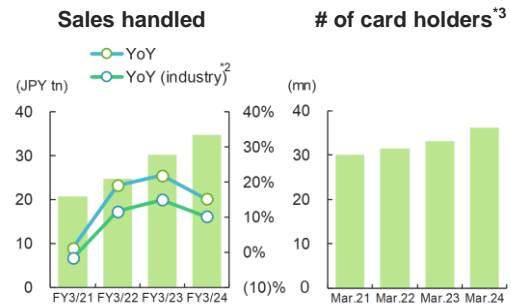
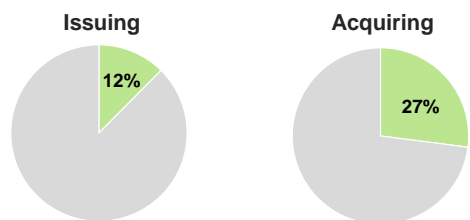


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## Financial results

(JPY bn)	FY3/23	FY3/24	YoY <sup>*1</sup>
Operating revenue	523.5	632.9	+109.4
o/w Commission fee	193.8	228.4	+34.7
Finance	103.3	159.5	+56.2
Sales on credit	28.0	27.7	(0.3)
Receipt agency	52.7	53.4	+0.7
Operating expense	490.7	594.3	+103.6
o/w Expenses for loan losses	34.1	55.8	+21.7
Expense for interest repayments	10.0	8.0	(2.0)
Ordinary profit (loss)	33.1	40.8	+7.8
Net income	21.8	25.6	+3.7
Finance outstanding	736.6	1,102.6	

## Key figures

Market share<sup>\*4</sup>

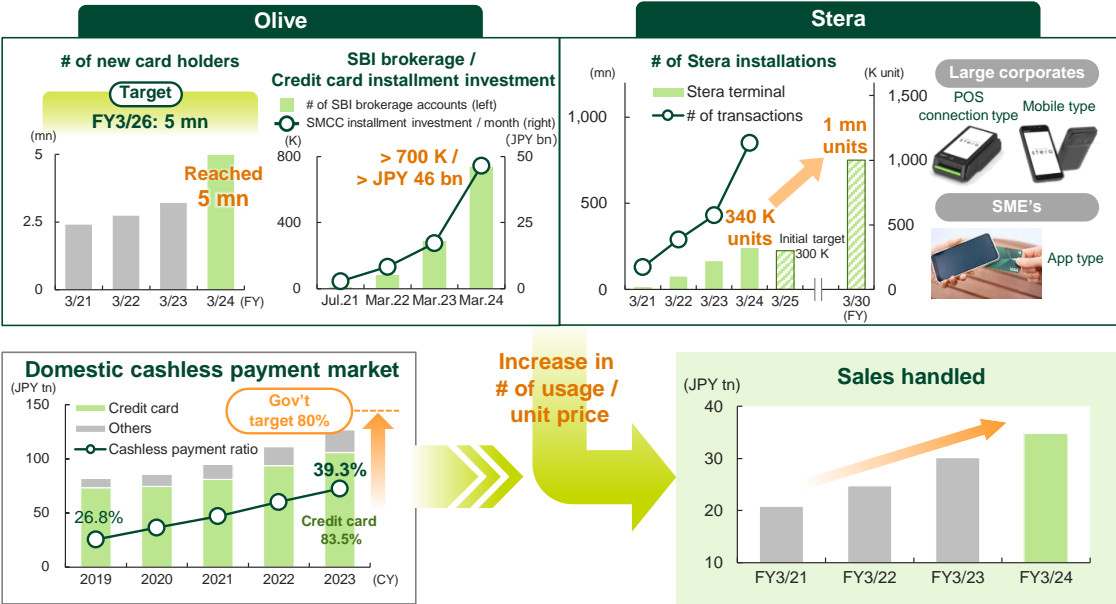
<sup>\*1</sup> Figure for FY3/23 and YoY change has not been adjusted to the reorganization of SMBC Mobit in Apr.23

<sup>\*2</sup> Japan Consumer Credit Association "Credit card behavior investigation" Shopping credit amount

<sup>\*3</sup> Issued by the company only <sup>\*4</sup> METI "Indices of Tertiary Industry Activity" Sales credit business handled (2023 : JPY 90 tn)

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Capture the growing cashless payment market through issuing on Olive and acquiring on stera.



Domestic cashless payment market

Credit card

Others

Cashless payment ratio

Gov't target 80%

26.8%

39.3%

Credit card 83.5%



Sales handled

JPY tn

FY3/21

FY3/22

FY3/23

FY3/24



Increase in  
# of usage /  
unit price

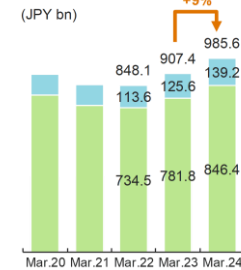
## Financial results

(JPY bn)	FY3/23	FY3/24	YoY <sup>*1</sup>
Operating income	294.1	268.8	(25.3)
o/w Interest revenues	183.4	147.0	(36.4)
Loan guarantee revenues	71.4	77.4	+6.0
Operating expenses	216.8	191.6	(25.2)
o/w Expenses for loan losses	56.8	54.0	(2.8)
Expense for loan guarantees	11.4	16.0	+4.6
Expenses for interest repayments	19.0	15.0	(4.0)
Operating profit	77.3	77.2	(0.1)
Ordinary profit	59.5	19.1	(40.4) <sup>*2</sup>
o/w Non-operating revenues	1.5	1.0	(0.5)
Non-operating expenses	19.3	59.1	(39.8)
Net income	44.1	(4.4)	(48.5)
NPLs (NPL ratio)	107.0 8.74%	98.9 10.04%	
Allowance on interest repayments (provision)	89.5 3.5 yrs	83.7 4.0 yrs	

Excl. impairment of goodwill for FE Credit : JPY 41.6 bn

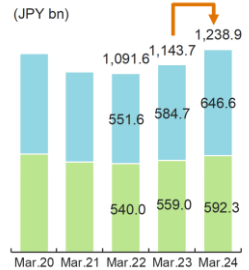
## Consumer loans

■ Promise ■ Promise (overseas)



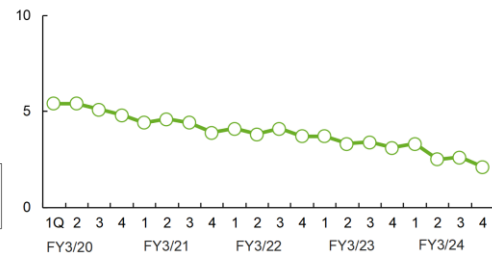
## Loan guarantee

■ SMBC ■ Others



## No. of interest refund claims

(Thousand)



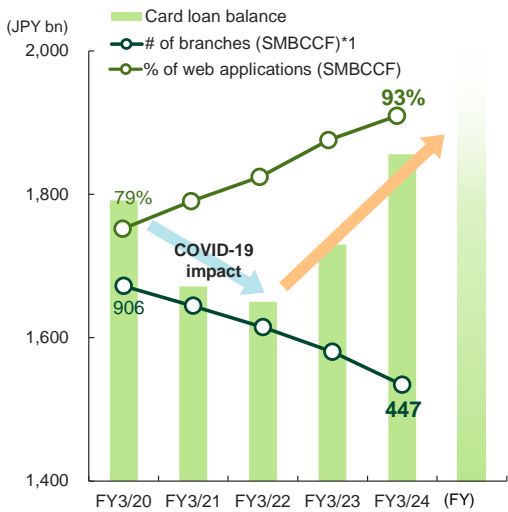
\*1 Figure for FY3/23 and YoY change has not been adjusted to the reorganization of SMBC Mobit in Apr.23  
(YoY after the adjustments excl. impairment of FE Credit: operating profit JPY +11.9 bn, ordinary profit JPY +17.6 bn, net profit JPY +5.9 bn) \*2 Mainly due to the impairment of FE Credit (JPY 46 bn)

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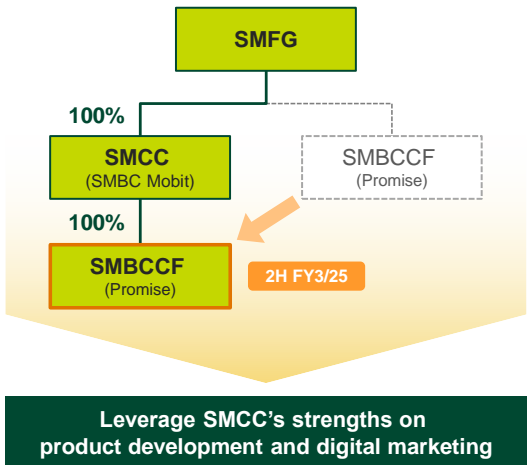
(Ref.) Card loan business

Reorganize SMBCCF as a subsidiary of SMCC.  
Further accelerate digitalization and operational efficiency.

Increase loan balance by digitalization



Reorganization of card loan business

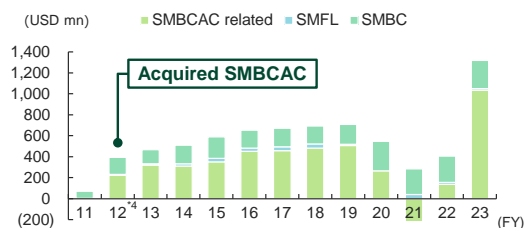


\*1 Unstaffed service channels with ACMs

## Financial results

(USD mn)	FY3/23	FY3/24	YoY
Total revenue	1,488	2,717	+1,229
o/w Lease revenue	1,428	1,877	+449
Credit / Asset impairment charges <sup>*1</sup>	(506)	(389)	+117
Net income	(77)	774	+851
Aircraft assets <sup>*2</sup>	22,770	22,484	(286)
Net asset	4,707	5,379	+672
ROE	(1.6)%	14.4%	+16%

## Aircraft Business of SMBC Group



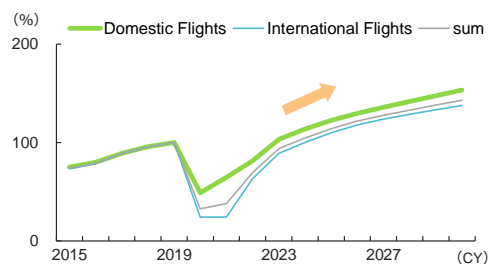
<sup>\*1</sup> Gross before netting guarantee deposits, etc. <sup>\*2</sup> Includes aircraft pre-delivery payment

<sup>\*3</sup> IATA/Tourism Economics. Represent changes from CY-19

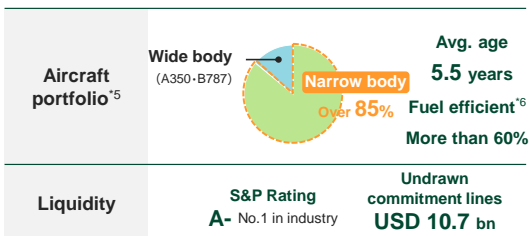
<sup>\*4</sup> SMBCAC related includes revenue after the acquisition in June. <sup>\*5</sup> As of Mar.24. <sup>\*6</sup> Neo/MAX/A350/B787

## Global passenger demand forecast<sup>\*3</sup>

- Domestic demand exceeded pre-COVID-19 levels



## Our strengths



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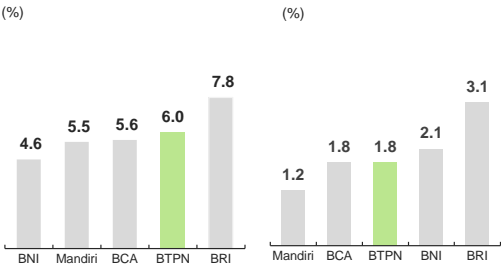
Financial results\*1

(JPY bn)	2021	2022	2023	Jan.- Mar. 2024
Gross banking profit	106.2	116.1	127.8	32.7
Operating expenses	56.6	60.9	67.8	19.2
Credit-related cost	17.1	15.6	27.8	6.0
Net profit	21.6	26.3	22.2	5.2
ROE	8.6%	9.6%	6.3%	5.7%

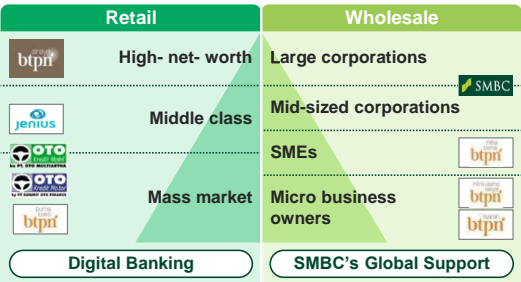
  

Loans	1,098.4	1,242.0	1,424.7	1,772.3 <sup>2</sup>
Total Assets	1,554.5	1,777.9	1,833.8	2,282.1 <sup>2</sup>

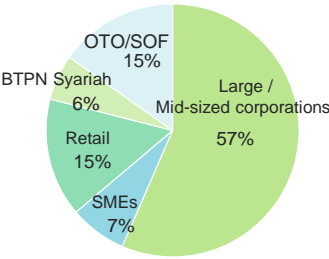
Net interest margin\*3    NPL ratio\*3



Coverage



Loan breakdown (Mar.24)



\*1 TTM as of Dec.21 IDR 1= 0.0081, Dec.22 IDR 1= 0.0085, Dec.23 IDR 1= 0.0092, Mar.24 IDR 1=0.0095  
\*2 Including OTO/SOF \*3 Based on data published by each company (Dec.23 or Mar. 24 results)

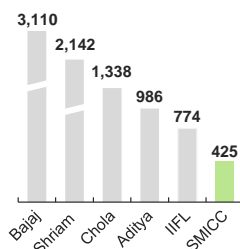


## Financial results\*1

(JPY bn)	FY3/21	FY3/22	FY3/23	FY3/24
Gross banking profit	48.1	40.8	58.8	91.3
Operating expenses	18.0	23.5	33.9	51.7
Credit-related cost	54.4	15.5	9.5	23.2
Net profit	(18.3)	1.2	11.6	12.1
ROE	(23.8)%	1.9%	14.7%	12.2%
Loans	378.2	411.4	596.8	822.5
Total Assets	419.3	441.4	666.7	877.6

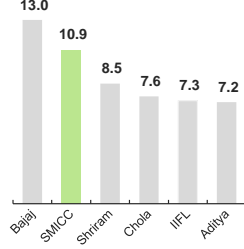
## Loan balance\*2

(INR bn)



## Loan spread\*2

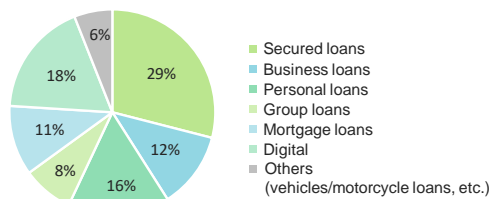
(%)



## Coverage

Retail	Wholesale
High-net-worth	Large corporations
Middle class	Medium-sized corporations
Mass market	SMEs Sole proprietor
	Micro business operator

## Loan breakdown (Dec.23)



\*1 TTM as of Mar. 20: INR1=1.44, Mar.21: INR1= 1.51, Mar.22: INR1=1.62, Mar.23: INR1= 1.63, Mar.24: INR1=1.81

\*2 Based on each company's published data (Dec.23 results)

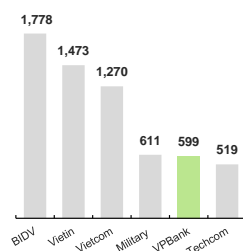
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### VPBank Financial result\*1

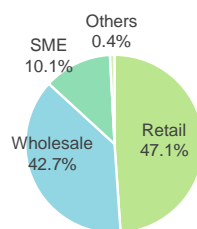
(JPY bn)	2020	2021	2022	2023
Gross operating profit	175.6	221.5	323.7	303.4
Operating expense	51.3	53.6	79.0	85.0
Credit-related cost	65.8	96.1	125.8	152.5
Net profit	46.9	57.4	94.7	51.8
ROE	22.0%	18.1%	20.3%	9.3%
Loans	1,453.0	1,920.1	2,686.6	3,656.7
Total Assets	1,885.6	2,737.0	3,533.7	4,987.2

### Loans\*2

(VND tn)



### Loan Structure\*3

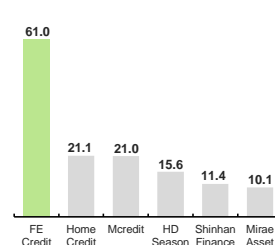


### FE Credit Financial result\*1

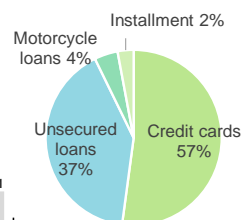
(JPY bn)	2020	2021	2022	2023
Gross operating profit	78.4	76.6	84.9	81.0
Operating expense	22.7	23.4	34.3	28.0
Credit-related cost	42.7	57.8	75.3	75.6
Net profit	13.4	0.6	(13.3)	(18.0)
ROE	21.2%	0.8%	(16.5)%	(25.2)%
Loans	297.2	377.1	385.4	343.5
Total Assets	330.3	388.1	428.2	384.7

### Loans\*2

(VND tn)



### Loan Structure



\*1 TTM as of Dec.20:VND1=0.0045,Dec.21:VND1=0.0050,Dec.22:VND1=0.0056,Dec.23:VND1=0.0061

\*2 Based on FiinGroup data (Jun.23 results) \*3 Non-Consolidated

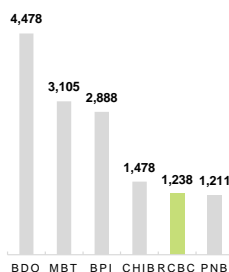
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## Financial results\*1

(JPY bn)	2020	2021	2022	2023
Gross operating profit	81.9	81.9	105.8	127.9
Operating expenses	47.6	50.7	59.7	75.8
Credit-related cost	20.3	13.6	13.6	17.7
Net profit	10.8	15.9	28.8	31.3
ROE	5.5%	6.7%	11.2%	9.5%
Loans	1,061.2	1,211.2	1,330.1	1,663.8
Deposits	1,157.3	1,513.0	2,040.2	2,449.2
Total Assets	1,667.7	2,158.0	2,746.8	3,170.1

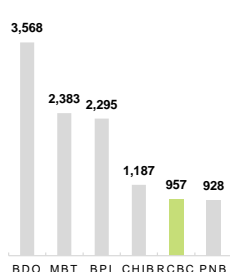
## Total assets\*2

(PHP bn)

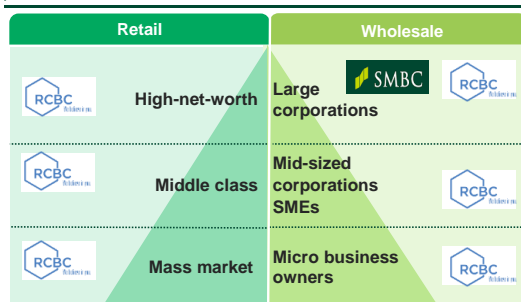


## Deposits\*2

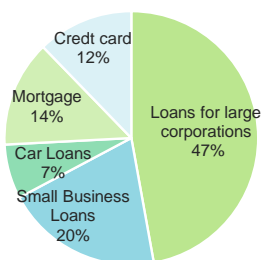
(PHP bn)



## Coverage



## Loan Breakdown (Dec.23)



\*1 TTM as of end of Dec.20:PHP1= 2.16,Dec.21:PHP1=2.25,Dec.22:PHP1=2.38, Dec23:PHP1= 2.56

\*2 As of the end of Dec. 23

Sustainability management structure

Sustainability Management System

Supervision

Board of Directors

Nomination Committee

Compensation Committee

Audit Committee

Risk Committee

Jul. 21

Sustainability Committee

Internal committee

Executive

Oct. 18

Corporate Sustainability  
Committee

Apr. 21

Group CSuO

Apr. 24

Sustainability Division  
for Fulfilled Growth

Further enhance expertise

- Sustainability study session
- Round-table discussion  
Held discussion for directors  
with Mr. Paul Polman, Global Advisor

Executive compensation

Base salary

Fixed

Bonus

- Cash
  - Stock
- Compensation  
Plan II

Linked annual performance (0-150%)

Performance	Consolidated net business profit SMFG net income
ESG	Achievement of KPIs ESG ratings of major agencies
Individuals' performance	

Stock

Compensation  
Plan I

Linked medium-term performance (0-150%)

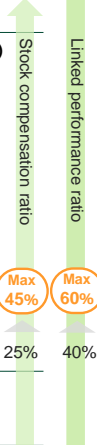
Financial	ROCE1 Base expense Consolidated gross profit SMFG net income
Stock	TSR (Total Shareholder Return)
Non-financial	Create social value
Adjustment	New business areas Compliance/ Customer-oriented initiatives / Risk management

Quantitative	● Sustainable finance
Environment	● Financed emissions
Employees	● Engagement score
Qualitative	● DE&I
Materiality initiatives	



















































Stock

Compensation  
Plan III

Promotion reward plan



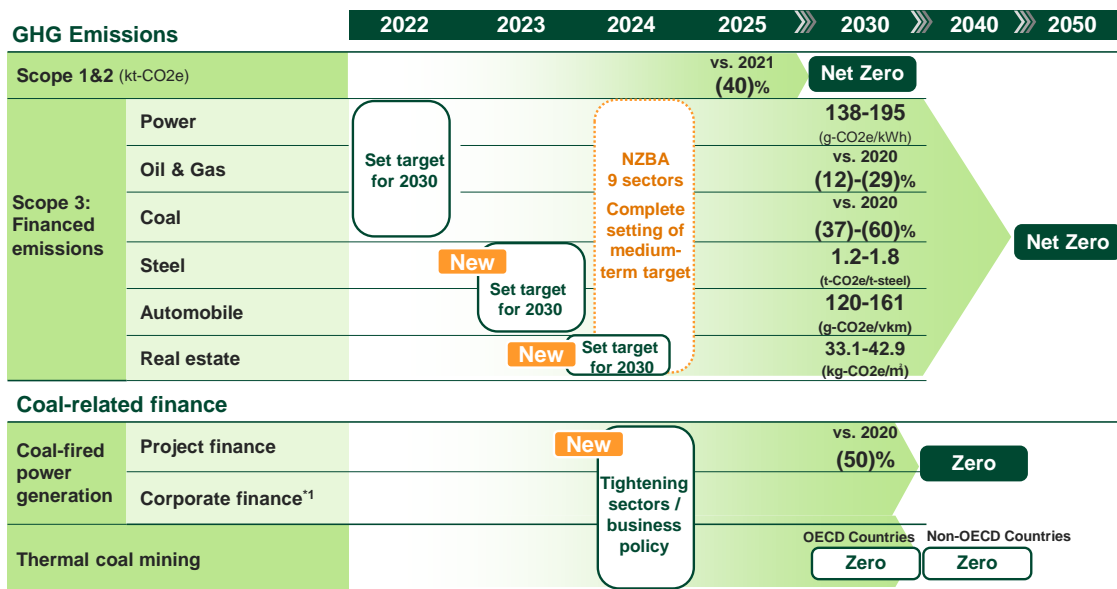
Board Skills Matrix\*1

Knowledge and experience expected in particular							
	Internal Director (non-executive)			Internal Director (executive)		Outside Director	
	Management	Finance	Global	Legal /risk management	Accounting	IT/DX	Sustainability
Takeshi Kunibe							
Toru Nakashima							
Teiko Kudo							
Fumihiko Ito							
Toshihiro Isshiki							
Yoshiyuki Gono							
Shozo Yamazaki							
Sonosuke Kadonaga							
Yoshinobu Tsutsui							
Katsuyoshi Shinbo							
Eriko Sakurai							
Charles D. Lake II							
Jenifer Rogers							

\*1 Subject to resolution at the Ordinary General Meeting of Shareholders on Jun. 24


## Target towards decarbonized society

Set and disclosed medium-term GHG emissions reduction targets in the steel, automobile, and real estate sectors.




\*1 Asset-specific financing


Selected ESG Indices



FTSE Blossom Japan



FTSE Blossom Japan Sector Relative Index




S&P/JPX Carbon Efficient Index

2024 CONSTITUENT MSCI NIKONKABU ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

GPIF Selection Index



FTSE4Good

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

Endorsed initiatives

WE SUPPORT



Signatory of:





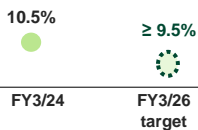


# KPI Progress of the Medium-Term Management Plan

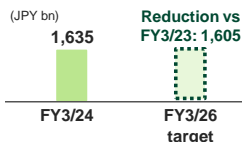
Plan for  
Fulfilled Growth

## Financial targets

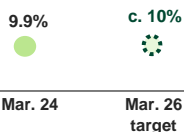
### ROCET1



### Base expenses<sup>\*1</sup>

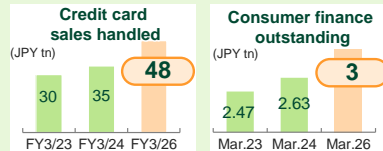


### CET1 ratio<sup>\*2</sup>

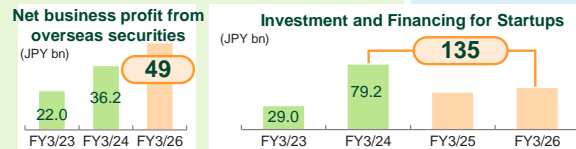


## Economic value

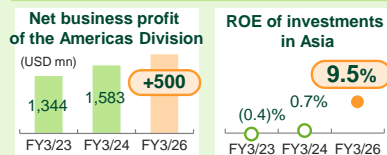
### Reform domestic business for possible interest hike



### Improve capital efficiency with B/S discipline

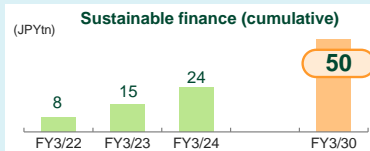


### Build global portfolio based on growth potential



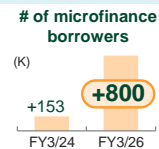
## Social Value

### Environment

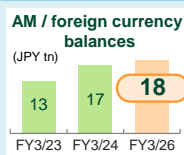


### Regrowth of Japan

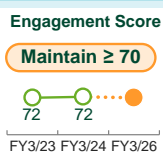
### Poverty and Inequality



### Declining birthrate & aging population



### DE&I & Human rights



<sup>\*1</sup> G&A expenses excl. cost related to investment for future growth, revenue-linked variable cost, impact from market conditions, etc. <sup>\*2</sup> Post-Basel III basis, excl. net unrealized gains on other securities

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

**Growth with Quality**

**Create  
Social Value**

Contribute to  
“Fulfilled Growth”

**Pursue  
Economic Value**

Transformation &  
Growth

**Rebuild  
Corporate  
Infrastructure**

Quality builds  
Trust

Dynamic reallocation of management resources

Reform domestic business model	Reduce unprofitable assets	Review significance of holding
<ul style="list-style-type: none"><li>● Retail Business : Shift resources from human to IT by thorough digitalization</li><li>● Wholesale business : Shift personnel to growth areas by promoting digitization and efficiency</li></ul>	<ul style="list-style-type: none"><li>● Project finance : High RWA burden</li><li>● Trade finance : Short-term, low-interest margins</li><li>● Regions of low growth and excessive competition</li></ul>	<ul style="list-style-type: none"><li>● Review strategy for existing financial investees with limited growth potential</li><li>● Accelerate reduction pace of strategic shareholdings</li><li>● Shift to Green Assets toward a decarbonized society</li></ul>

RWA

JPY (6) tn ●..... X1.5 reduction vs. previous plan

Domestic workload

(6.5) K ●..... >10% of domestic headcount

Shift management resources

Pursue economic value

RWA

+ JPY 11 tn

Workload

+ 3K

Rebuild corporate infrastructure

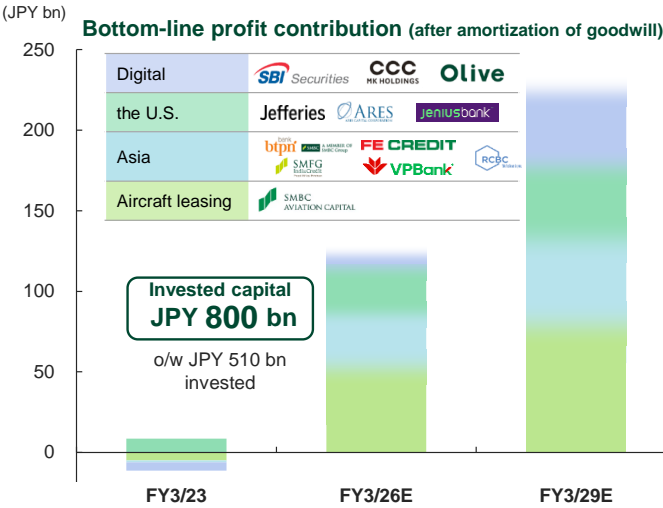
IT

investment

+ JPY 750 bn

Expected return from past investment

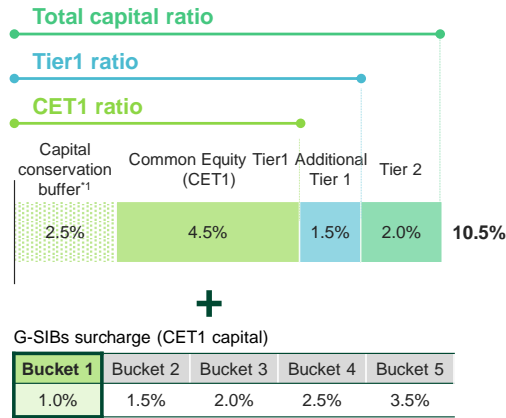
Target



Discipline	Investment criteria	Fits with our strategy	Review existing portfolio	Examples in previous plan
		ROCE1: ≥ 9.5%		
		Risk is manageable		
				Eximbank
				Moelis & Company

		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%

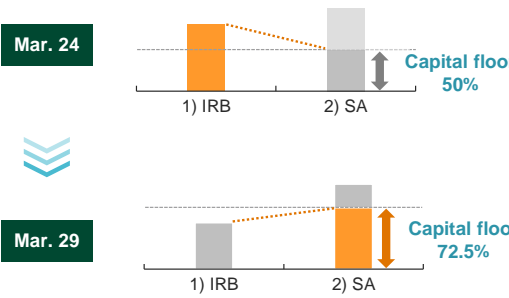
Capital requirements



Implementation of output floor

Calculate using larger figure

- 1) RWA based on internal ratings-based approach (IRB)
- 2) RWA based on standardized approach (SA) x capital floor

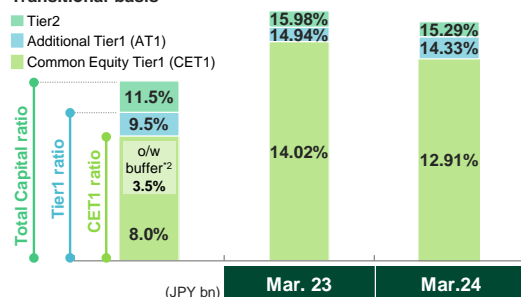


<sup>\*1</sup> Countercyclical buffer (CCyB) omitted

Capital ratio (Transitional basis)<sup>\*1</sup>

## Transitional basis

- Tier2
- Additional Tier1 (AT1)
- Common Equity Tier1 (CET1)



	Mar. 23	Mar. 24
<b>Total capital</b>	<b>12,350.8</b>	<b>14,197.9</b>
Tier1 capital	11,548.9	13,311.6
o/w CET1 capital	10,839.0	11,992.6
Tier2 capital	801.9	886.3
<b>Risk-weighted assets</b>	<b>77,285.0</b>	<b>92,848.6</b>
<b>Finalized Basel III basis</b>		
CET1 ratio	10.9%	10.9%
excl. net unrealized gains on other securities	10.1%	9.9%

## Other requirement ratios

	Mar. 24	Requirement <sup>*1</sup>
<b>External TLAC ratio</b>		
RWA basis	23.92%	18.0%
Leverage exposure basis	10.13%	6.75%
<b>Leverage ratio</b>	<b>5.27%</b>	3.5%
<b>LCR (Average 4Q FY3/24)</b>	<b>131.2%</b>	100%

Capital strategy<sup>\*3</sup>

<b>Tier 2</b>	JPY 0.9 tn (0.9%) (as of Mar. 24)	<ul style="list-style-type: none"> <li>Plan to fill 2.0% Tier 2 bucket in the medium term, taking account of RWA growth and AT1 capital accumulation</li> </ul>
<b>AT1</b>	JPY 1.3 tn (1.3%) (as of Mar. 24)	<ul style="list-style-type: none"> <li>Plan to continue issuing AT1 notes to fill 1.5% AT1 bucket</li> </ul>
<b>CET1</b>		<ul style="list-style-type: none"> <li>CET1 ratio target: 10%</li> <li>Target remain unchanged without changes in regulations and environment</li> </ul>

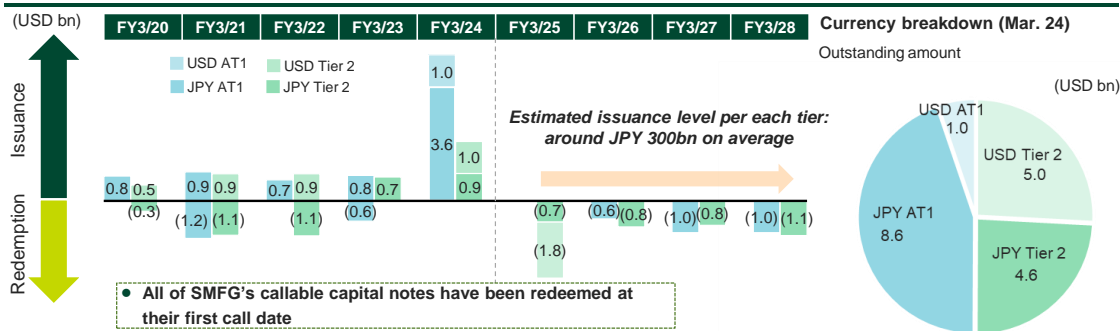
(Ref.) Risk-weighted assets (pro forma) : JPY 102.3tn (Mar. 24)

<sup>\*1</sup> Basel III finalization phased-in started from Mar. 24. Revised RWA calculation will be fully implemented by Mar. 29. See p.76.<sup>\*2</sup> Capital conservation buffer: 2.5%+, G-SIBs surcharge: 1.0%. Countercyclical buffer (CCyB) omitted<sup>\*3</sup> All percentages are calculated based on the fully implemented RWA which includes the impact of RWA inflation due to

Basel III finalization and excludes RWA associated with net unrealized gains on stocks. CET1 capital excludes net unrealized gains on other securities.

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Subordinated notes issuances and redemptions\*1



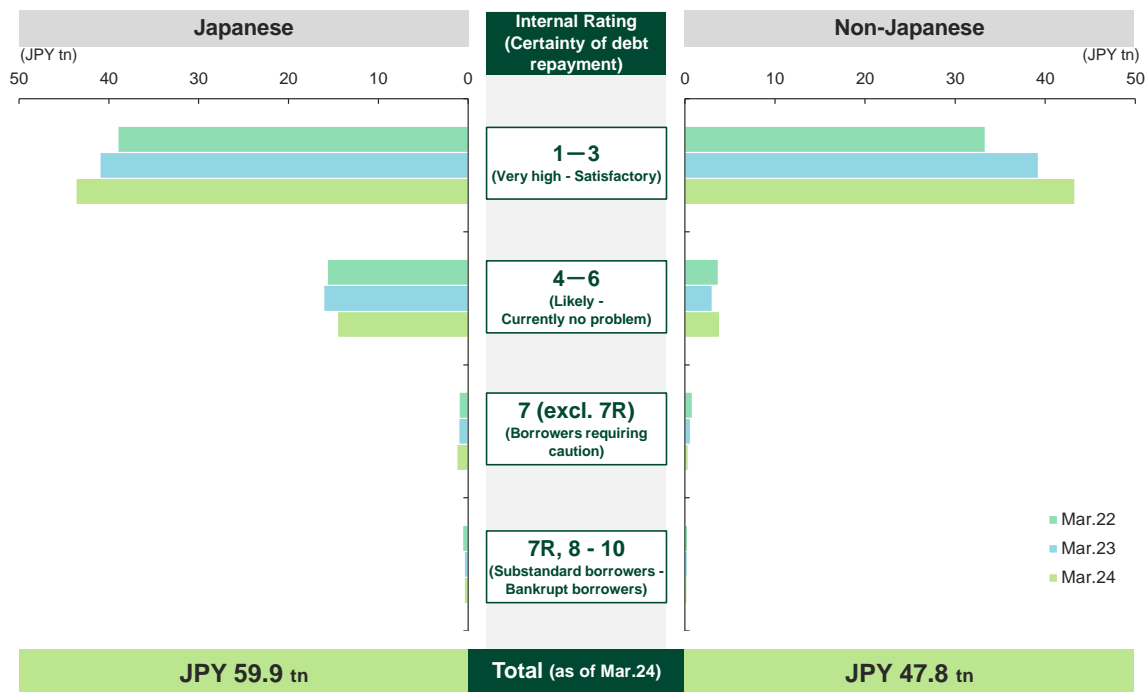
Historical issuance calendar \*3

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY3/20			AT1 PNC10 ¥85bn			Tier2 10y \$500mn						
FY3/21						AT1 PNC10 ¥100bn	Tier2 10y \$850mn					
FY3/22						Tier2 20y \$850mn				AT1 PNC10 ¥80bn		
FY3/23									AT1 PNC5/PNC10 ¥107bn			Tier2 10NC5/10y ¥100bn
FY3/24	AT1 PNC5/PNC10 ¥140bn			Tier2 20y \$1bn		AT1 PNC5/PNC10 ¥211bn	Tier2 10NC5/10y ¥130bn			AT1 PNC5/PNC10 ¥188bn		AT1 PNC10 \$1bn

\*1 Callable notes were, or are assumed for illustration to be, redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time.

Breakdown by internal ratings\*1

Plan for  
Fulfilled Growth



\*1 Managerial accounting basis. Exposure include 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

SMBC Group's Exposure

CRE Exposure  
JPY 20 tn

- 13% of total exposure
- NPL ratio: 0.6%



Japan

CRE  
JPY 13 tn

JPY 85 tn

- Corporate: 50%, NRL: 30%, REITs: 20%
- Investment grade: 70%
- LTV for NRL: < 60%
- NPL ratio: 0.2%

U.S.

CRE  
JPY 2.6 tn

JPY 27 tn

- NRL: 60%, REITs: 40%
- Investment grade: 70%
- NPL ratio: 0.3%
- LTV for NRL: c. 60%

< o/w for offices >

- Balance: JPY 0.3 tn, NPL ratio: 3%
- NRL: 40%,
- LTV for NRL: < 60%

China/  
Hong Kong

CRE  
JPY 1.2 tn

JPY 3 tn

- Corporate: 70%, NRLs and REITs: over 10% each
- Investment grade: 80%
- Main corporate clients are high-rated conglomerates
- NPL ratio: 6% due to large borrowers, but the rest are of good asset quality.

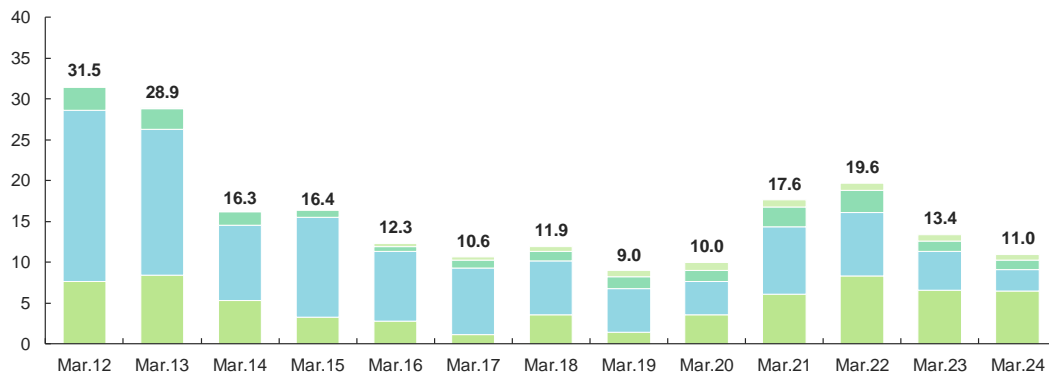
<sup>\*1</sup> SMBC consolidated, calculated based on location fo headquarter, managerial accounting basis



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

(JPY tn)

■ 1 year or less ■ 1 to 5 years ■ 5 to 10 years ■ More than 10 years



of which JGBs  
(JPY tn)

	Mar.12	Mar.13	Mar.14	Mar.15	Mar.16	Mar.17	Mar.18	Mar.19	Mar.20	Mar.21	Mar.22	Mar.23	Mar.24
of which JGBs (JPY tn)	14.0	9.8	8.0	9.3	6.3	7.1	14.3	15.8	9.6	7.5			
Average duration (years) <sup>*1</sup>	1.9	1.8	1.1	1.8	2.8	2.9	2.3	3.2	2.9	2.5	2.8	2.4	2.1
Unrealized gains/losses (JPY bn) <sup>*2</sup>	104.4	95.3	60.0	45.9	103.8	57.5	44.2	60.5	21.4	7.9	(49.7)	(62.8)	(98.7)

\*1 Excl. bonds classified as held-to-maturity, for which hedge-accounting is applied, and private placement bonds  
\*2 15-year floating-rate JGBs have been evaluated at their reasonably estimated price until Sep.20

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

Plan for  
Fulfilled Growth

(As of May. 2, 2024)

Moody's	Moody's	S&P	Fitch	S&P Fitch
Aaa				AAA
Aa1	<ul style="list-style-type: none"> <li>Bank of America</li> </ul>			AA+
Aa2	<ul style="list-style-type: none"> <li>Bank of New York Mellon</li> <li>JPMorgan Chase Bank</li> <li>Wells Fargo Bank</li> </ul>		<ul style="list-style-type: none"> <li>Bank of America</li> <li>Bank of New York Mellon</li> <li>JPMorgan Chase Bank</li> <li>State Street Bank &amp; Trust</li> </ul>	AA
Aa3	<ul style="list-style-type: none"> <li>BNP Paribas</li> <li>Citibank</li> <li>Agricultural credit</li> <li>ING Bank</li> </ul>	<ul style="list-style-type: none"> <li>Morgan Stanley Bank</li> <li>State Street Bank &amp; Trust</li> <li>UBS</li> </ul>	<ul style="list-style-type: none"> <li>Bank of New York Mellon</li> <li>Royal Bank of Canada</li> <li>State Street Bank &amp; Trust</li> <li>Toronto Dominion</li> </ul>	AA-
A1	<ul style="list-style-type: none"> <li><b>SMBC</b></li> <li>Agricultural Bank of China</li> <li>Bank of China</li> <li>Barclays Bank</li> <li>BPCE</li> <li>China Construction Bank</li> <li>Deutsche Bank</li> </ul>	<ul style="list-style-type: none"> <li>Goldman Sachs Bank</li> <li>HSBC Bank</li> <li>ICBC</li> <li><b>Mizuho Bank</b></li> <li><b>MUFG Bank</b></li> <li>Royal Bank of Canada</li> <li>Societe Generale</li> <li>Standard Chartered</li> <li>Toronto Dominion</li> </ul>	<ul style="list-style-type: none"> <li>Banco Santander</li> <li>Bank of America</li> <li>Barclays Bank</li> <li>BNP Paribas</li> <li>Citibank</li> <li>Agricultural credit</li> <li>Goldman Sachs Bank</li> <li>HSBC Bank</li> <li>ING Bank</li> <li>JPMorgan Chase Bank</li> <li>Morgan Stanley Bank</li> <li>Standard Chartered</li> <li>UBS</li> <li>Wells Fargo Bank</li> </ul>	A+
A2	<ul style="list-style-type: none"> <li>Banco Santander</li> <li>BoCom</li> </ul>	<ul style="list-style-type: none"> <li><b>SMBC</b></li> <li>Agricultural Bank of China</li> <li>Bank of China</li> <li>BPCE</li> </ul>	<ul style="list-style-type: none"> <li>China Construction Bank</li> <li>ICBC</li> <li><b>Mizuho Bank</b></li> <li><b>MUFG Bank</b></li> <li>Societe Generale</li> </ul>	A
A3		<ul style="list-style-type: none"> <li>BoCom</li> </ul>	<ul style="list-style-type: none"> <li><b>SMBC</b></li> <li>Agricultural Bank of China</li> <li>Bank of China</li> <li>BoCom</li> </ul>	A-
Baa1			<ul style="list-style-type: none"> <li>Banco Santander</li> <li>Deutsche Bank</li> </ul>	BBB+
Baa2				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 (2) Holding companies\*1

Plan for  
Fulfilled Growth

(As of May. 2, 2024)

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

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