

# Overview of 1H FY3/2025

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November 14, 2024



SUMITOMO MITSUI  
FINANCIAL GROUP

This document contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of Sumitomo Mitsui Financial Group, Inc. (“the Company”) and its management with respect to the Company’s 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 the Company’s securities portfolio; incurrence of significant credit-related costs; the Company’s ability to successfully implement its business strategy through its subsidiaries, affiliates and alliance partners; and exposure to new risks as the Company expands the scope of its 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. The Company undertakes no obligation to update or revise any forward-looking statements.

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

## Exchange rates (TTM)

	Sep.23	Mar.24	Sep.24
USD	149.58	151.33	142.82
EUR	157.99	163.24	159.53
<b>(Average rate)</b>			
USD	141.07	144.59	152.78
EUR	153.46	156.76	166.06

## 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
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

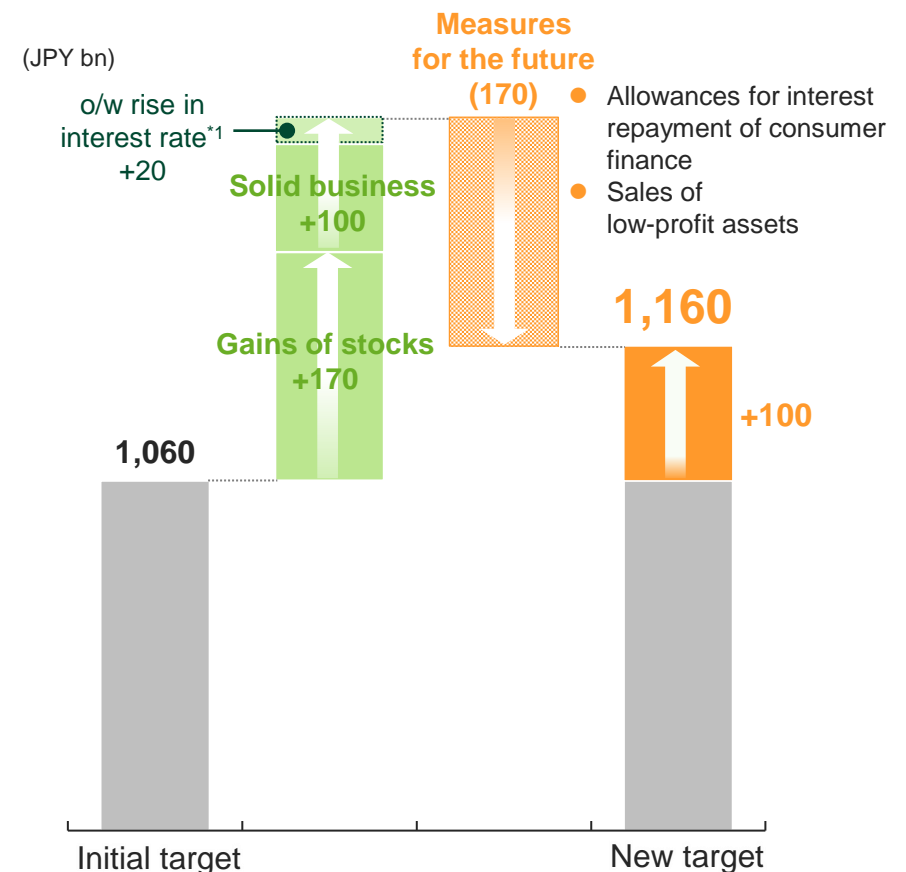
- 1** The highest 1H result in consolidated gross profit, net business profit, and bottom-line profit, due to strong business performance and larger gains on stocks than originally anticipated.  
Revised upward full-year target to JPY 1,160 bn (+100 bn)
- 2** Enhance shareholders returns with upward revision of bottom-line target.
  - ✓ Increased DPS to JPY 120 (dividend payout ratio of 40%)
  - ✓ Additional share buybacks: resolved up to JPY 150 bn (JPY 250 bn in total for the full year)
- 3** Equity holdings: achieved the initial reduction plan 1.5 years ahead.  
Set a new reduction plan of JPY 600 bn over five years (FY3/25- 3/29)

# Financial highlights (1) 1H results and target

Revised upward the full year target by JPY 100 bn to JPY 1.16 tn, due to strong business performance and larger gains on stocks while implemented radical measures to enhance future profitability.

	1H FY3/25		FY3/25 target	
	result	YoY	revised	vs. initial
(JPY bn)				
<b>Consolidated gross profit</b>	2,045.3	+227.9	—	—
<b>G&amp;A expenses</b>	1,172.7	+90.5	—	—
<b>Consolidated net business profit</b> <small>Progress</small>	<b>918.2</b> 57%	<b>+147.3</b>	<b>1,620</b>	—
<b>Total credit cost</b>	83.9	(16.4)	260	—
<b>Ordinary profit</b>	1,030.5	+321.2	1,710	+150
<b>Profit attributable to owners of parent</b>	<b>725.2</b> 68%	<b>+198.7</b>	<b>1,160</b>	<b>+100</b>
<b>ROE<sup>*2</sup></b>	<b>9.8%</b>	<b>+1.8%</b>	—	—

## Breakdown of upward revision

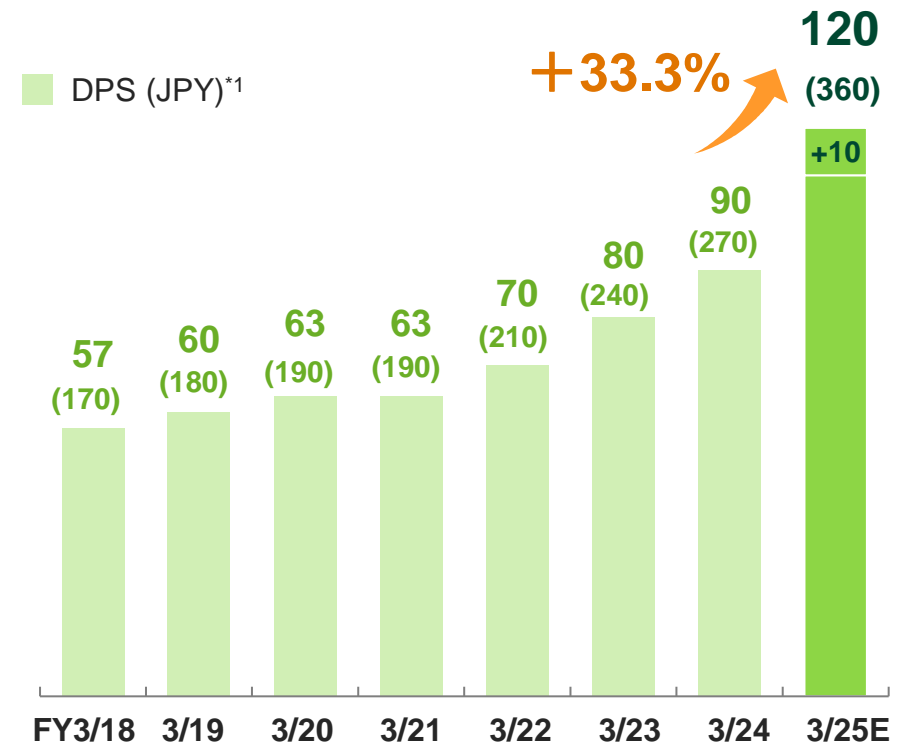
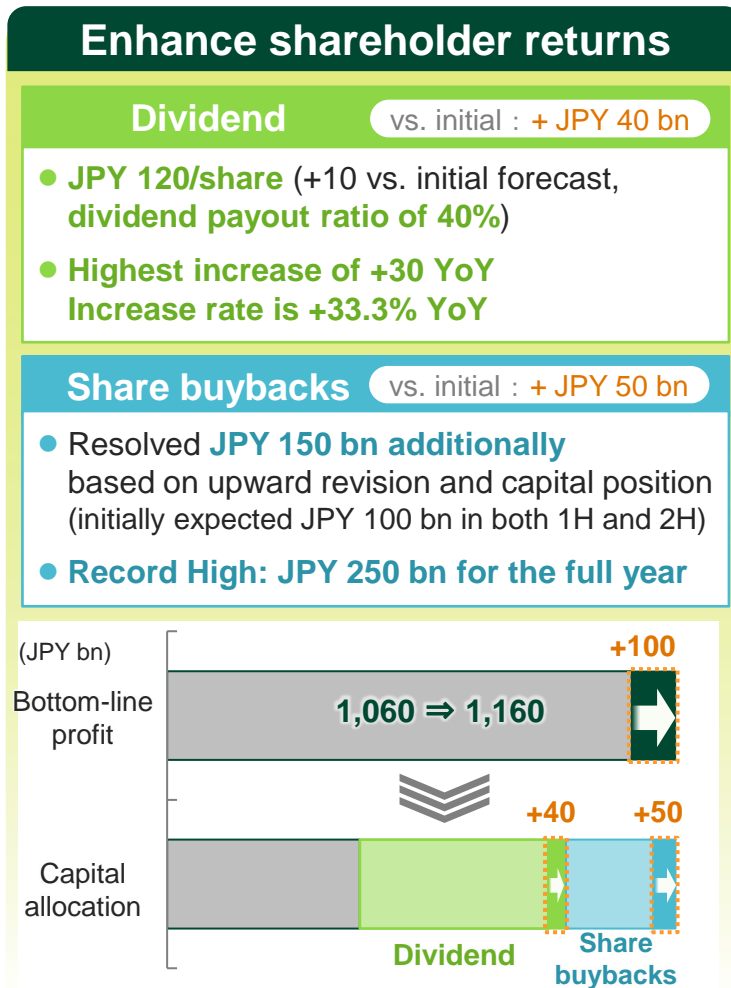


\*1 Changed assumption of policy rate (Japan: 0.1%⇒0.25%, US: 5.0%⇒4.0%)  
(FX assumption unchanged: USD1=JPY140)

\*2 Denominator: Shareholder's equity + total accumulated other comprehensive income

## Financial highlights (2) Shareholders return

Allocate the upward revision of JPY 100 bn toward enhancing shareholder returns: increase DPS to JPY 120 per share (dividend payout ratio of 40%) and resolved additional share buybacks of JPY 150 bn.

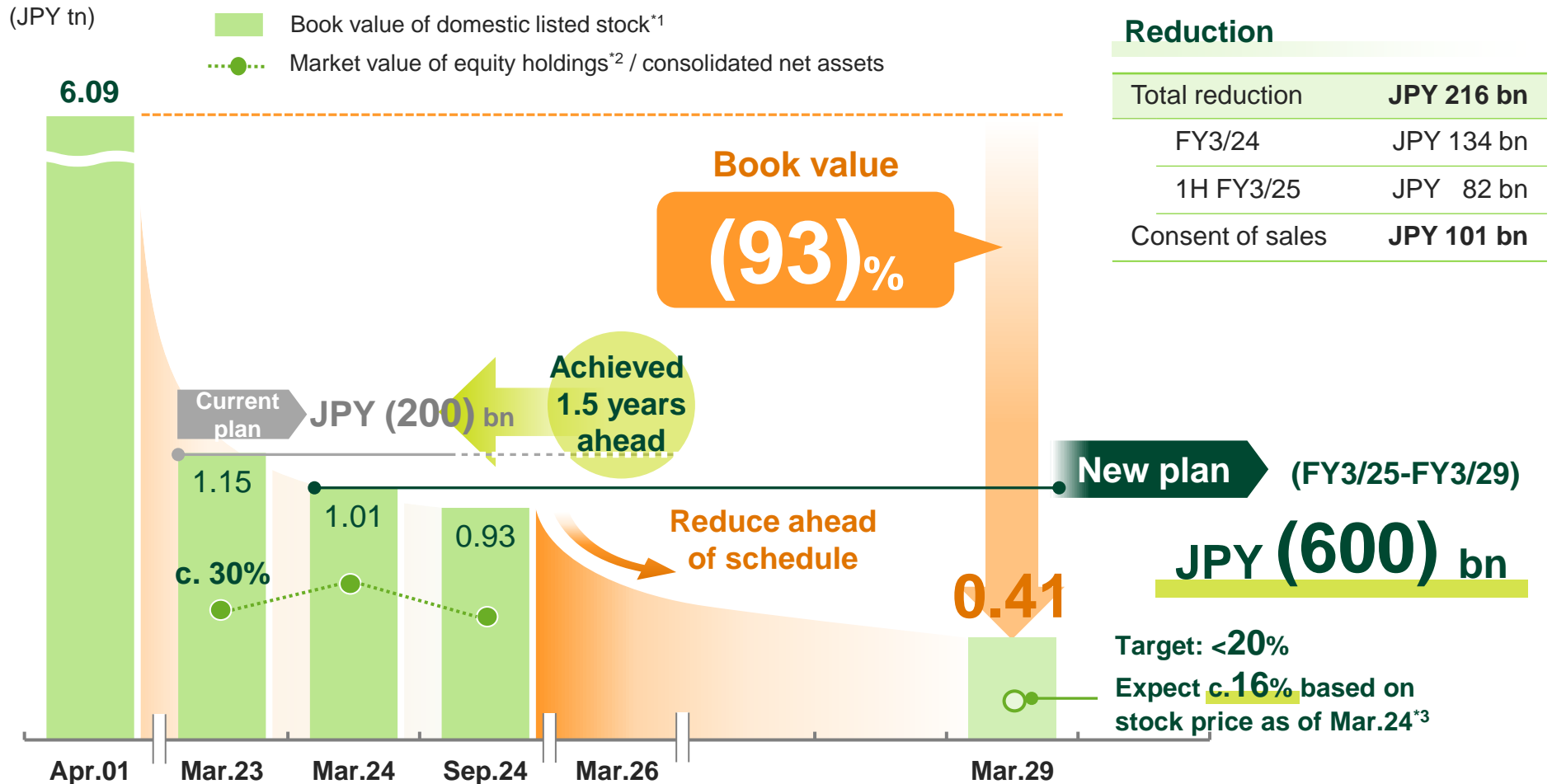


	FY3/18	3/19	3/20	3/21	3/22	3/23	3/24	3/25E
<b>Share buybacks (JPY bn)</b>	-	70	100	-	-	138.7	211.3	250
<b>Ref. Total payout ratio (%)</b>	33	44	51	51	41	58	59	62

\*1 Amount adjusted retrospectively, based on the stock split (3-for-1) implemented on October 1, 2024 (rounded to the nearest whole number). The figures in parentheses indicate the DPS before split.

# Financial highlights (3) Reduction of equity holdings

Achieved the initial plan 1.5 years ahead and set a new reduction plan of JPY 600 bn over five years. Expect to reduce book value by over 90% since Apr.01 and achieve <20% market value to net assets.



\*1 Excl. investments after Mar.20 for the business alliance purpose \*2 Incl. balance of deemed held shares  
\*3 Nikkei Index of JPY 40,369 as of Mar.24

	(JPY bn)	1H FY3/25	YoY	FY3/25 revised target
1	<b>Consolidated gross profit</b>	2,045.3	+227.9	
	<b>G&amp;A expenses</b>	1,172.7	+90.5	
2	<b>Overhead ratio</b>	57.3%	(2.2)%	
3	<b>Equity in gains (losses) of affiliates</b>	45.7	+9.9	
4	<b>Consolidated net business profit</b>	918.2	+147.3	1,620
5	<b>Total credit cost</b>	83.9	(16.4)	260
6	<b>Gains (losses) on stocks</b>	294.2	+247.4	
7	<b>Other income (expenses)</b>	(98.1)	(89.9)	
8	<b>Ordinary profit</b>	1,030.5	+321.2	1,710
9	<b>Extraordinary gains (losses)</b>	(3.1)	(0.2)	
10	<b>Income taxes</b>	297.6	+119.8	
11	<b>Profit attributable to owners of parent</b>	725.2	+198.7	1,160
12	<b>ROE incl. OCI<sup>*1</sup></b>	9.8%	+1.8%	
13	<b>ROE<sup>*2</sup></b>	13.3%	+3.3%	

- **Consolidated gross profit:** increased YoY due to
  - 1) increase of income on loan and deposit in domestic and overseas,
  - 2) good performance of wealth management business, payment business and consumer finance, and
  - 3) increase of fee income in domestic wholesale business. Impact of FX: +26
- **G&A expenses:** increased YoY mainly due to Inflation (+23) and higher variable marketing cost (+40), while overhead ratio improved due to top-line growth. Impact of FX: +13
- **Equity in gains of affiliates:** increased YoY due to
  - 1) good performance in aircraft leasing business: +6, and
  - 2) making VPBank and RCBC equity-method affiliates: +3
 Impact of FX: -
- **Total credit cost:** decreased due to lower costs at SMBC, despite an increase from the consolidation of OTO/SOF and the expansion of the overseas banking subsidiaries business.
- **Gains on stocks:** increased due to gains on sales of equity holdings: 279 (YoY+218)
- **Others :** booked a radical allowance on interest repayment of consume finance : (99)

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

\*2 Based on shareholder's equity

## SMBC

	(JPY bn)	1H FY3/25	YoY	FY3/25 revised target
1 <b>Gross banking profit</b>		1,161.8	+266.4	
2 o/w Net interest income		863.5	+335.7	
3 o/w Gains (losses) on cancellation of investment trusts		57.9	+53.2	
4 Domestic		409.1	+111.3	
5 Overseas		454.3	+224.4	
6 o/w Net fees and commissions		256.1	+24.5	
7 Domestic		113.7	+1.8	
8 Overseas		142.4	+22.7	
9 o/w Net trading income		40.7	(94.0)	
Net other operating income				
10 o/w Gains (losses) on bonds		6.8	+7.0	
11 <b>Expenses</b>		519.8	+38.3	
12 <b>Banking profit</b>		642.0	+228.1	1,020
13 <b>Total credit cost</b>		(19.6)	(29.8)	45
14 <b>Gains (losses) on stocks</b>		276.1	+235.5	
15 <b>Extraordinary gains (losses)</b>		27.0	+20.2	
16 <b>Net income</b>		728.1	+382.4	1,040

Dividend from subsidiary (+145)  
⇒ eliminated in the consolidated P/L

## Other major group companies

(left : results of 1H FY3/25 / right : YoY)

(JPY bn)	SMBC Nikko <sup>*1</sup>		SMCC <sup>*2</sup>		SMBC Trust	
<b>Gross profit</b>	272.1	+56.4	400.6	+10.9	32.8	(2.7)
<b>Expenses</b>	215.6	+24.9	273.5	+4.1	20.8	+1.1
<b>Net business profit</b>	56.5	+31.5	122.9	+15.0	11.9	(3.8)
<b>Net income</b>	54.6	+27.8	(55.6)	(81.6) <sup>*3</sup>	8.8	(3.6)

(Equity method affiliate)

	SMDAM <sup>*4</sup>		SMFL <sup>*5</sup>	
	50%	50%	50%	50%
<b>Gross profit</b>	23.5	+3.6	152.0	+11.7
<b>Expenses</b>	17.1	+0.8	65.1	+4.0
<b>Net business profit</b>	6.4	+2.9	94.6	+10.3
<b>Net income</b>	2.7	+1.0	55.3	+13.1

\*1 Incl. profits from SMBC Nikko America and SMBC Capital Markets (managerial accounting basis) \*2 Incl. SMCCCF

\*3 Incl. the radical allowance on interest repayment : JPY (88) bn \*4 Incl. SMBC Global Investment & Consulting

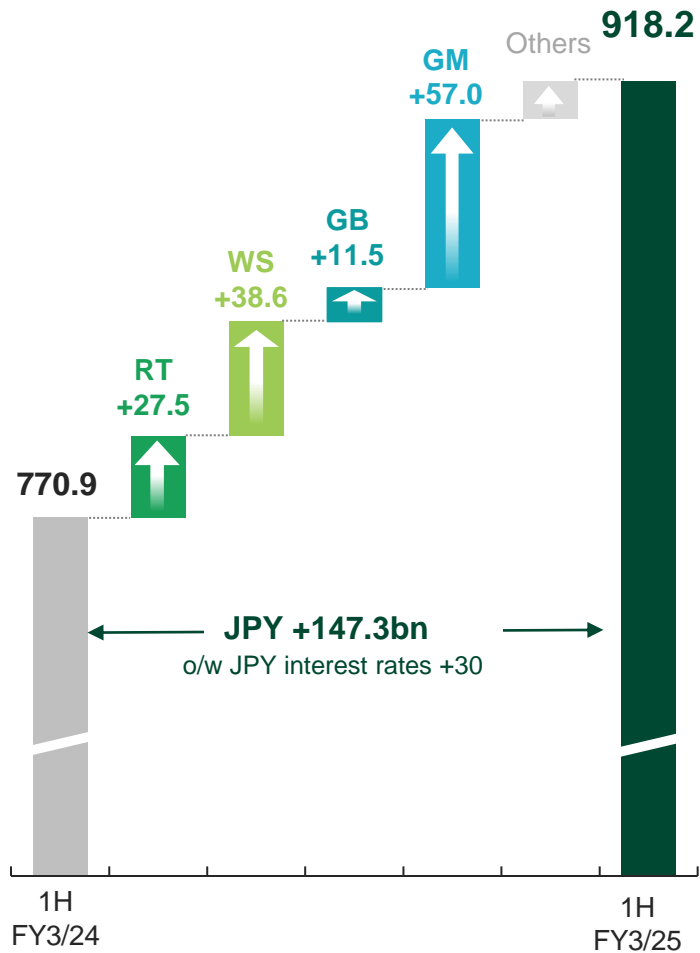
\*5 Managerial accounting basis



# Breakdown of net business profit and bottom-line profit

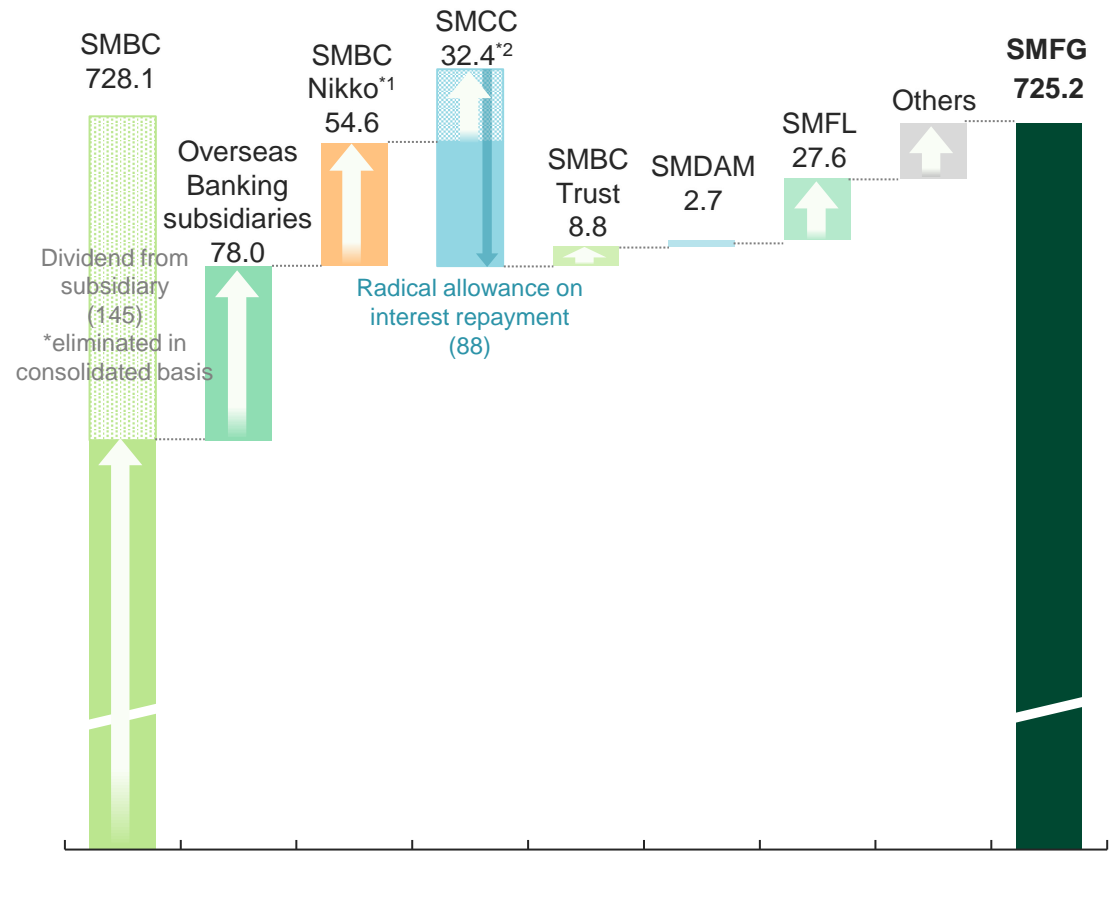
## Consolidated net business profit (YoY)

(JPY bn)



## Bottom-line profit (group companies)

(JPY bn)



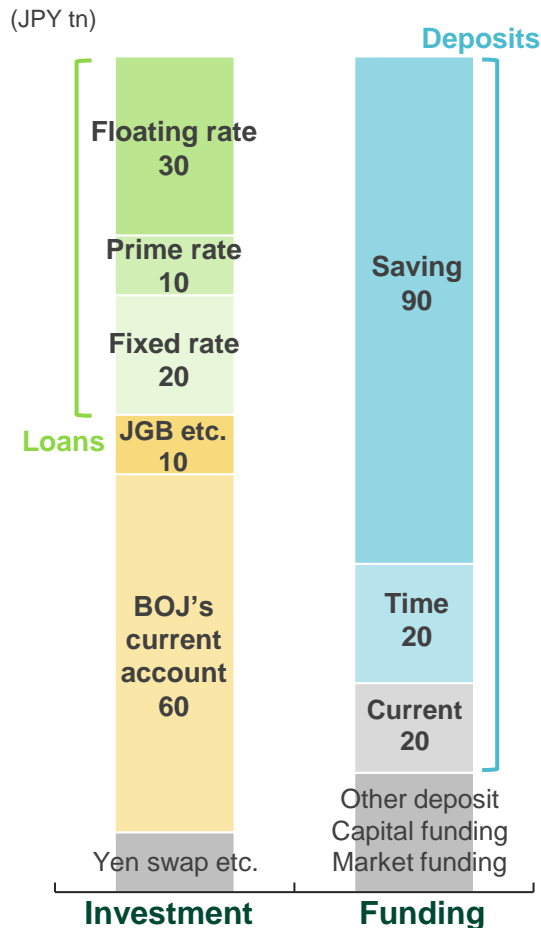
\*1 Incl. profits from SMBC Nikko America and SMBC Capital Markets (managerial accounting basis)

\*2 Incl. SMCCF (excl. impact on the allowance on interest repayment)

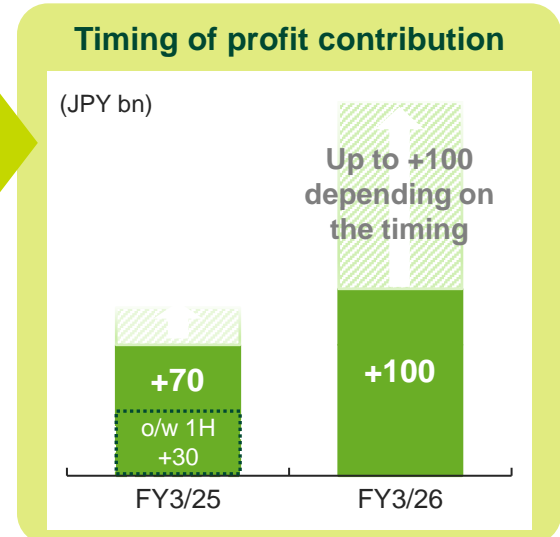
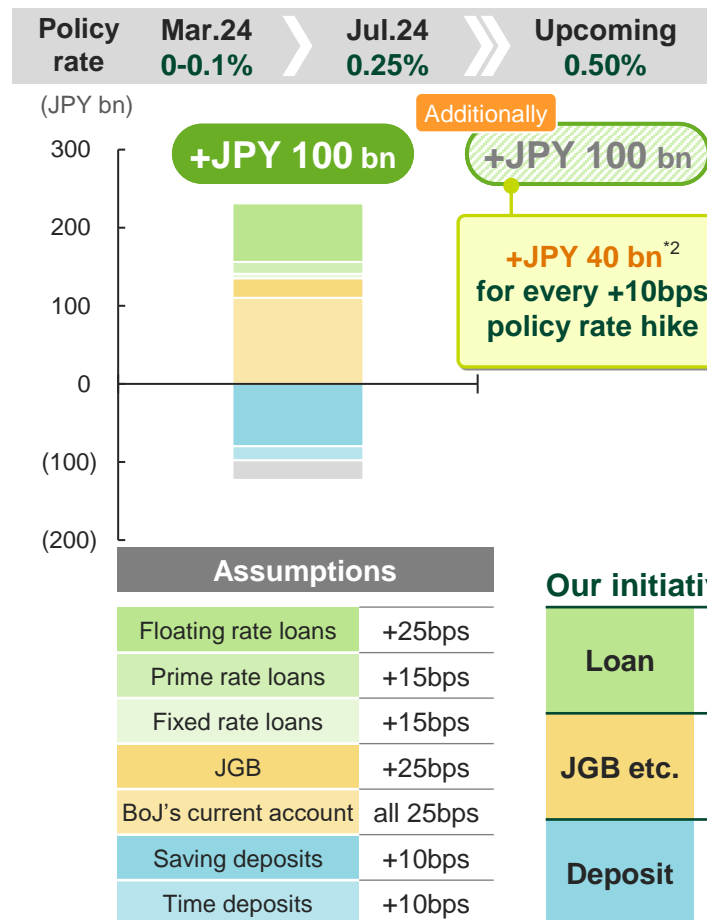
# Simulation of rise on JPY interest rates

The past two rate hikes will increase net interest income by JPY 100 bn, with JPY 70 bn impacting FY 3/25. When the policy rate is raised to 0.50%, it could add another JPY 100 bn annually.

## B/S JPY 145 tn (Sep.24)



## Impact on net interest income\*1



## Our initiatives

<b>Loan</b>	<ul style="list-style-type: none"> <li>Loan spreads improved YoY on top of base rate increase; focus remains on further enhancement</li> </ul>
<b>JGB etc.</b>	<ul style="list-style-type: none"> <li>Grasp market trends and flexibly control balances</li> </ul>
<b>Deposit</b>	<ul style="list-style-type: none"> <li>Focus on acquiring sticky, low-cost liquid deposit <b>Olive: deposit increase +30%*3</b></li> </ul>

\*1 Based on assumption of no change in balance sheet \*2 +10bps increase in both short-term and long-term rate

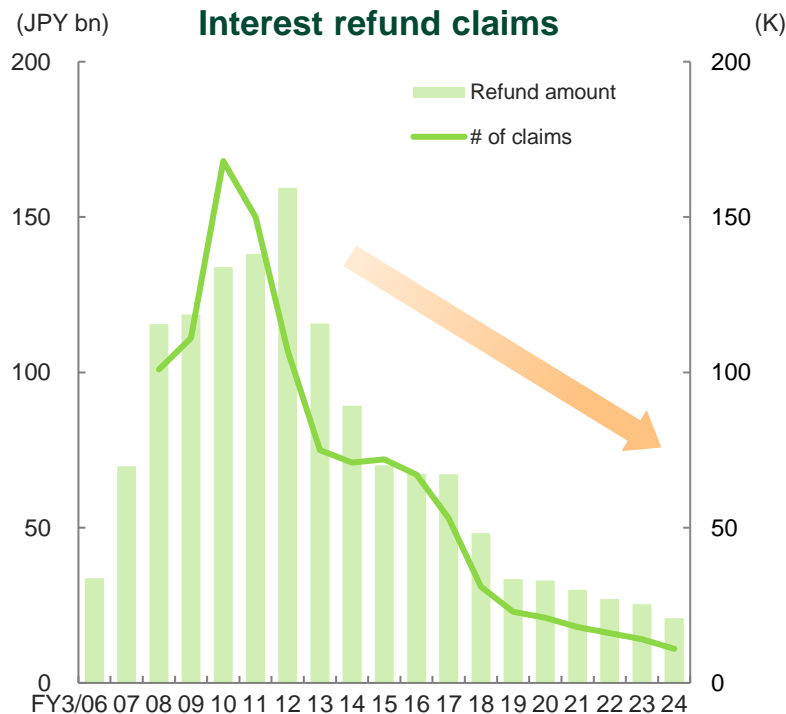
\*3 Comparison of the deposit balances at the end of following Sep. for new account holders before and after Olive release (Mar. 22 - Feb. 23, Mar. 23 - Feb. 2024).

# Radical allowance on interest repayment

A one-time provision of JPY 99 bn (pre-tax) has been made for interest repayment at SMBCCF.  
Reduce earnings volatility and transform a business model through proactive digital investments.

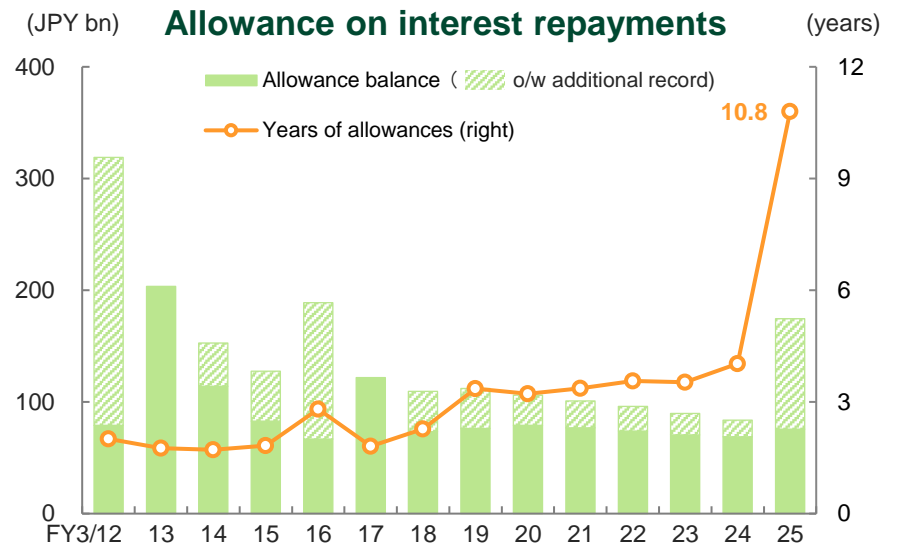
## Claims for Interest refund have been decreasing

- Both the number of claims and refund amount have significantly decreased due to repayments and the statute of limitations



## Record radical allowance on interest repayment

- Profit increase absorbs the impact of this allowance on the consolidated basis.
- Total allowance will cover a period exceeding 10 years.

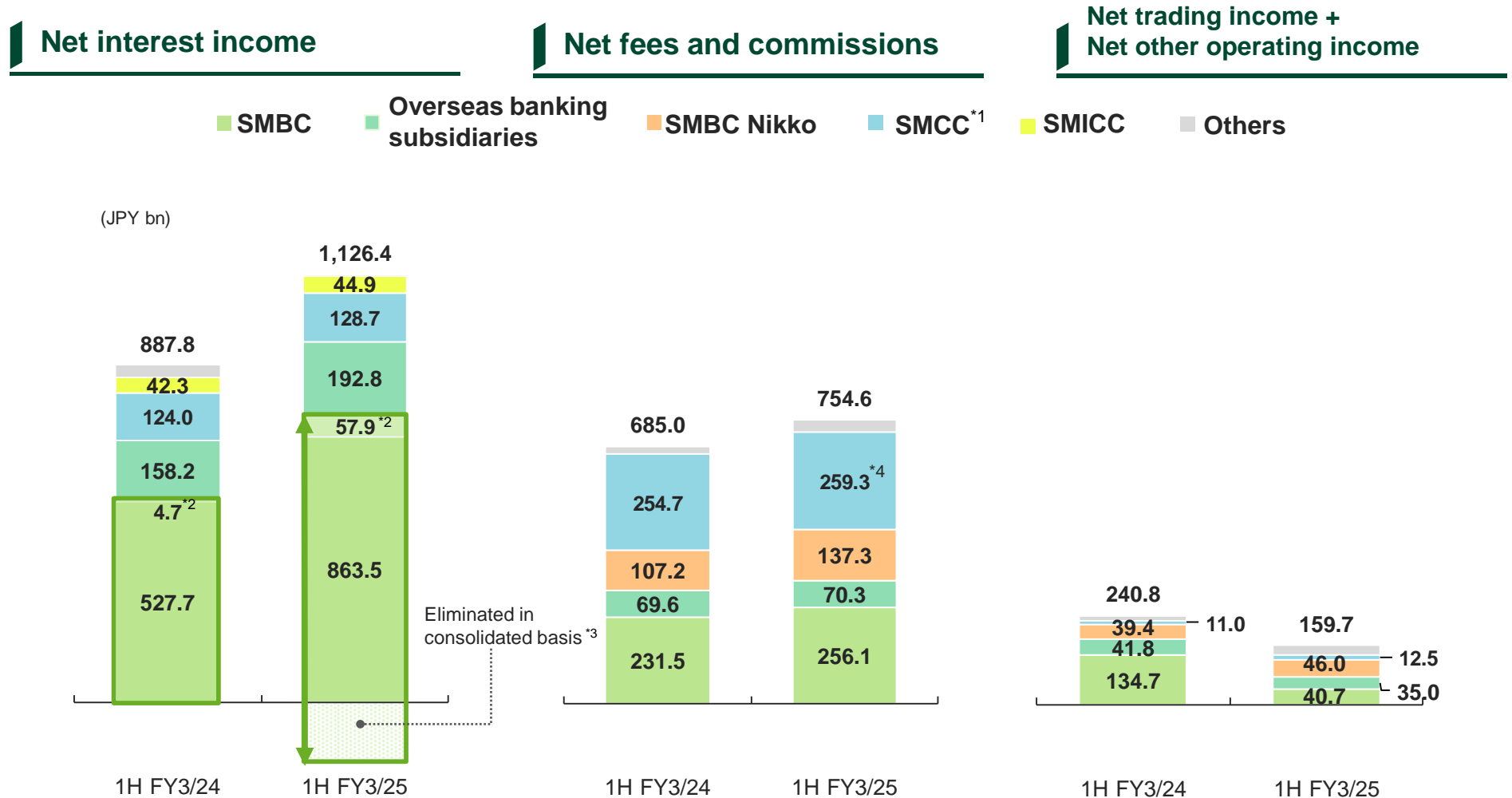


Reduce earnings volatility

Transform a business model through digital investment

# Consolidated gross profit

Net interest income has been strong due to a rise in loan volume and an improvement on margins. Fee income was led by SMBC and SMBC Nikko, mainly in wealth management and loan-related fees.



\*1 Incl. SMBCCF \*2 Gains on cancellation of investment trusts \*3 Incl. dividend from subsidiary: JPY 145 bn

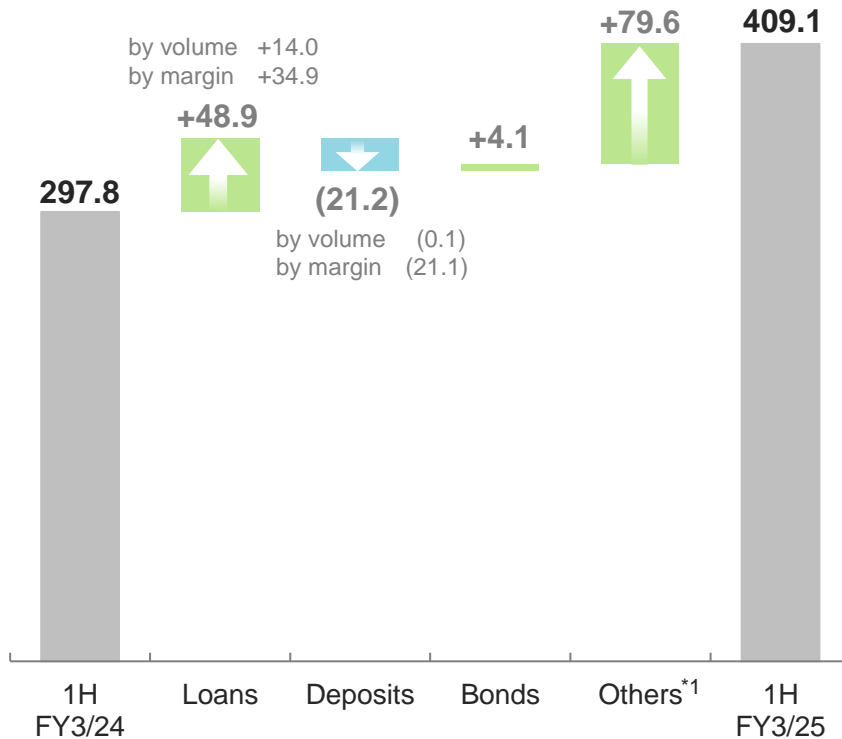
\*4 Decrease of JPY 14 bn YoY due to changes in calculation method

# (Ref.) Net interest income (SMBC)

## Domestic

- Income from loans and deposits increased due to both loan volume and margins, despite higher deposit costs.
- Gains on cancellation of investment trusts increased under favorable stock market.

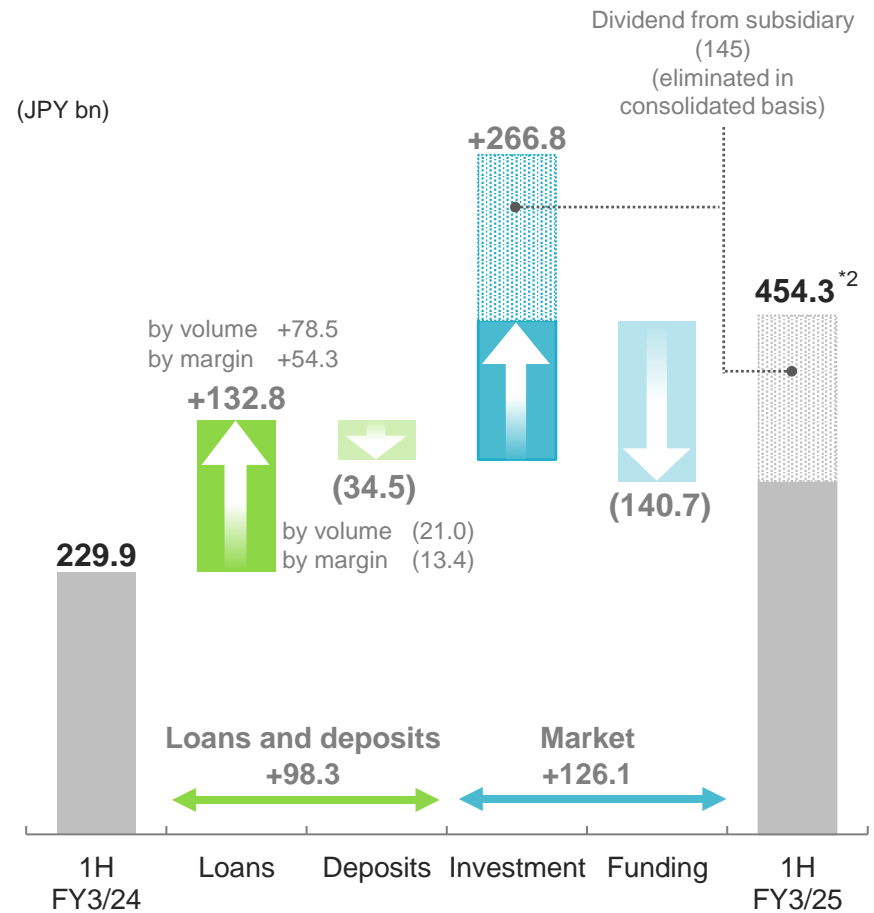
(JPY bn)



## Overseas

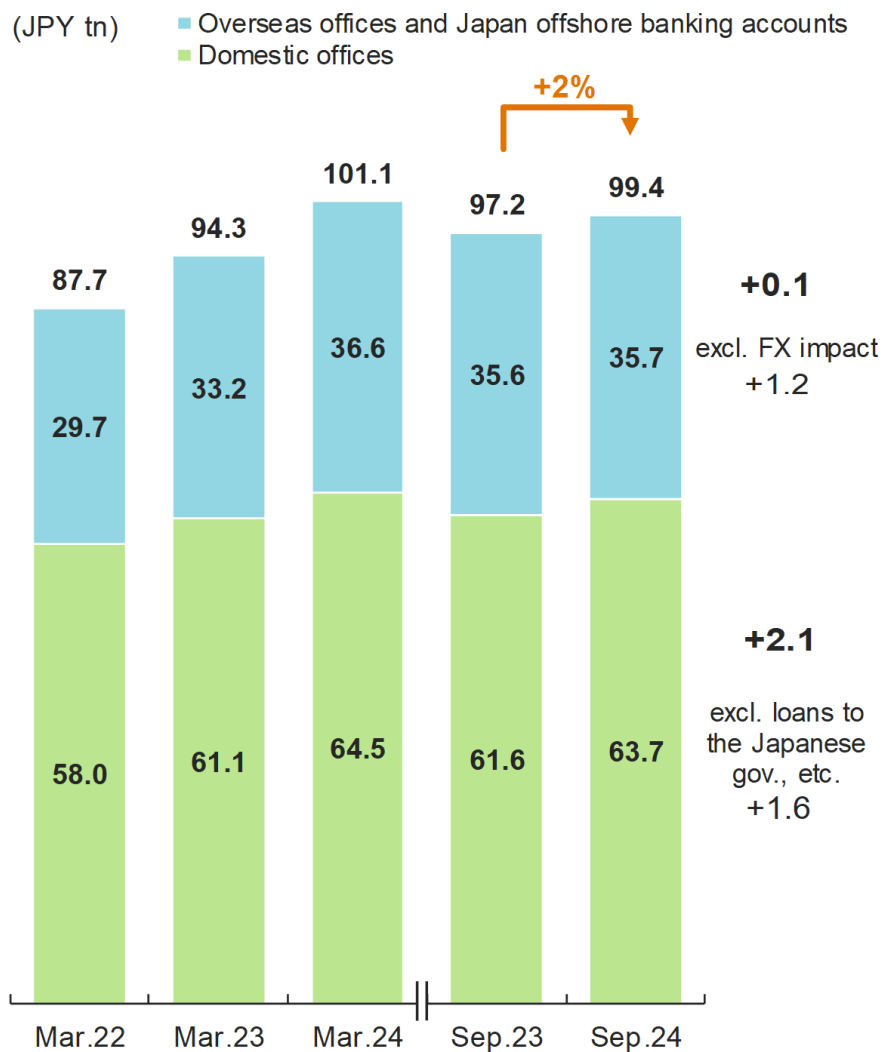
- Income from loans and deposits increased due to both loan volume and margins, despite the continued increase in deposit costs.

(JPY bn)



\*1 Incl. gains on cancellation of investment trusts \*2 Incl. dividend from subsidiary

## Loan balance



## Domestic loan-to-deposit spread

	1H FY3/25	YoY	1Q	2Q
Interest earned on loans and bills discounted (%)	0.94	+0.12	0.92	0.97
Interest paid on deposits, etc.	0.03	+0.03	0.01	0.05
Loan-to-deposit spread	0.91	+0.09	0.91	0.92
(Ref.) Excl. loans to the Japanese government, etc.				
Interest earned on loans and bills discounted	0.97	+0.13	0.94	0.99
Loan-to-deposit spread	0.94	+0.10	0.93	0.94

## Average loan balance and spread\*2

	Balance (JPY tn)		Spread (%)	
	1H FY3/25	YoY*4	1H FY3/25	YoY
Domestic loans	61.8	+2.3	0.70	+0.01
Excl. loans to the Japanese government, etc.	58.8	+1.8	0.73	+0.02
o/w Large corporations	21.9	+1.3	0.60	+0.04
Mid-sized corporations & SMEs	21.9	+0.9	0.65	+0.02
Individuals	12.1	+0.3	1.21	(0.03)
GBU's interest earning assets*3	346.4 USD bn	+4.4 USD bn	1.25	+0.02

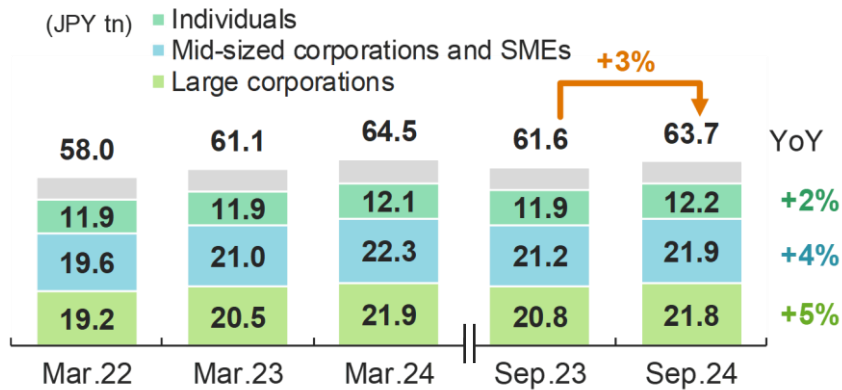
\*1 SMBC \*2 Managerial accounting basis \*3 Sum of SMBC, Major local subsidiaries and SMBC Trust, etc. Sum of loans, trade bills, and securities. The spread shows the difference with the cost of funds

\*4 After adjustments for exchange rates, etc.

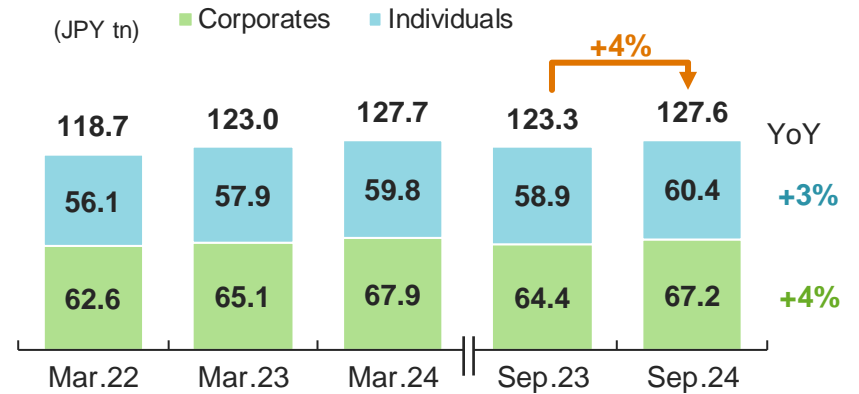
# Domestic loans and deposits\*1

Loan balance increased mainly in large corporations by capturing opportunities related to corporate actions.  
Loan spread slightly improved YoY with a focus on ROE, despite of repayments in large M&A loans.

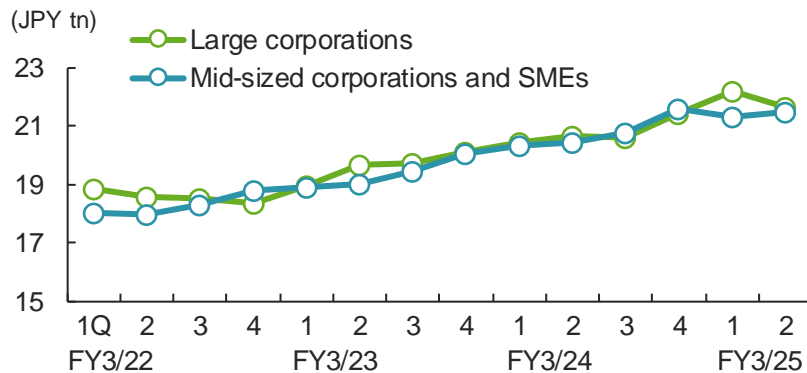
## Loan balance\*2



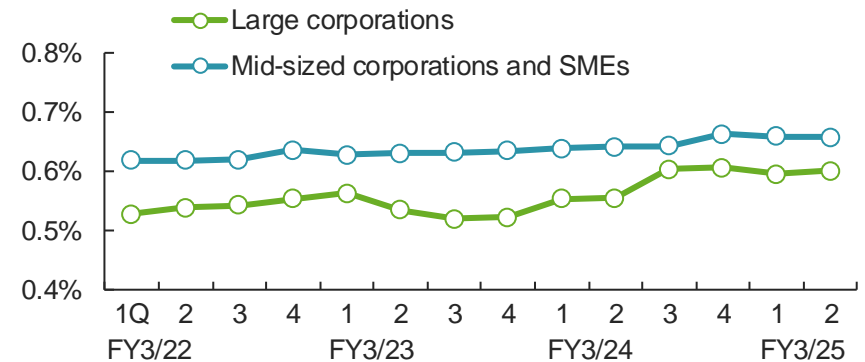
## Deposit balance



## 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)

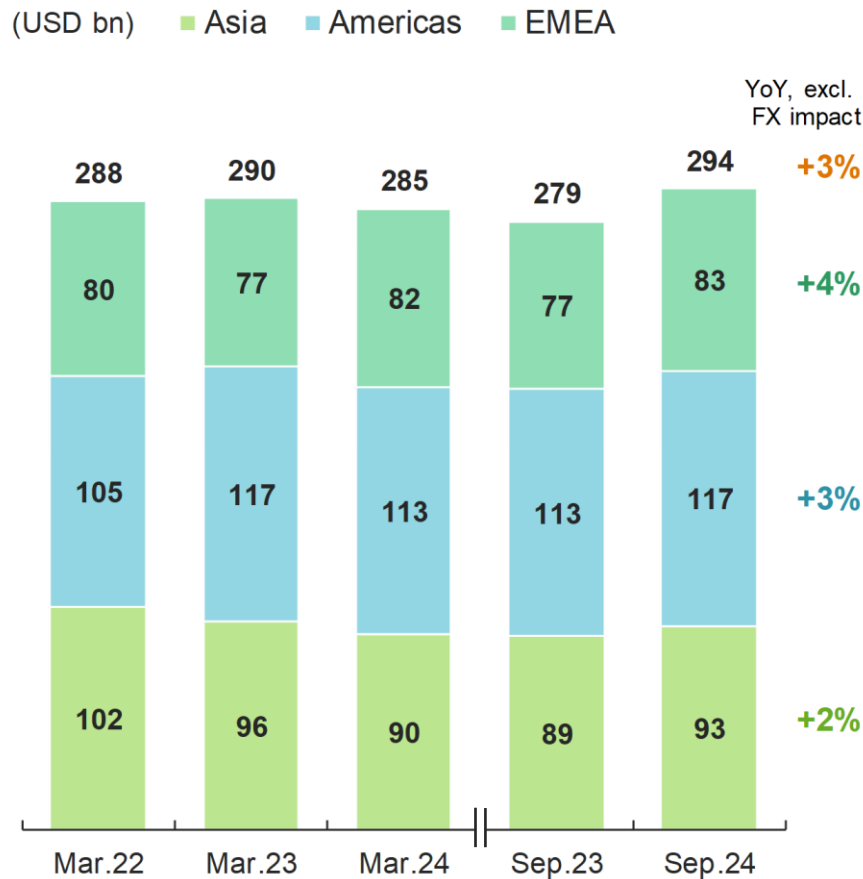
Figures for SMEs are the outstanding balance of Corporate banking division

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

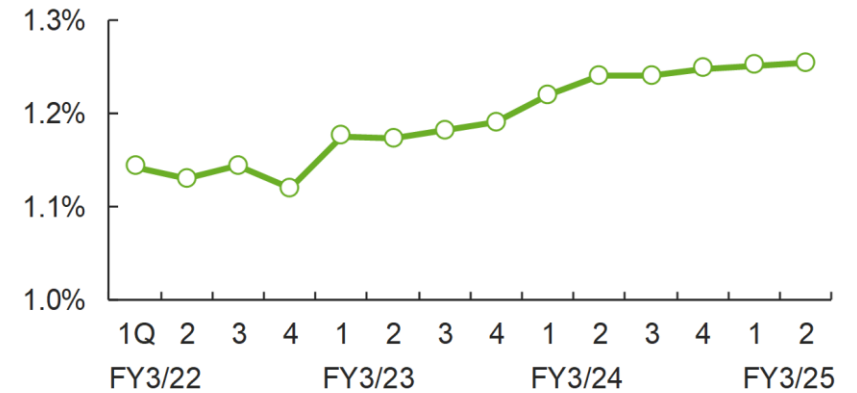
# Overseas loans and deposits\*1

Loan balance recovered, mainly due to increased demands following interest rate declines.  
Loan spread has been improving due to initiatives with focus on ROE.

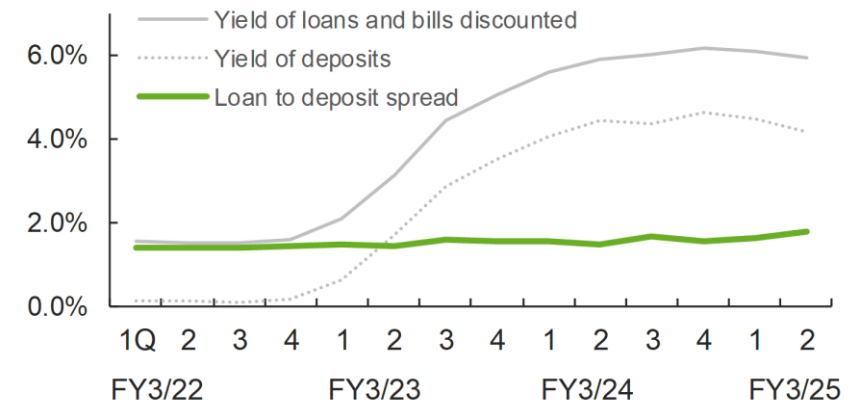
## Loan balance



## Loan spread\*2



## Loan to deposit spread

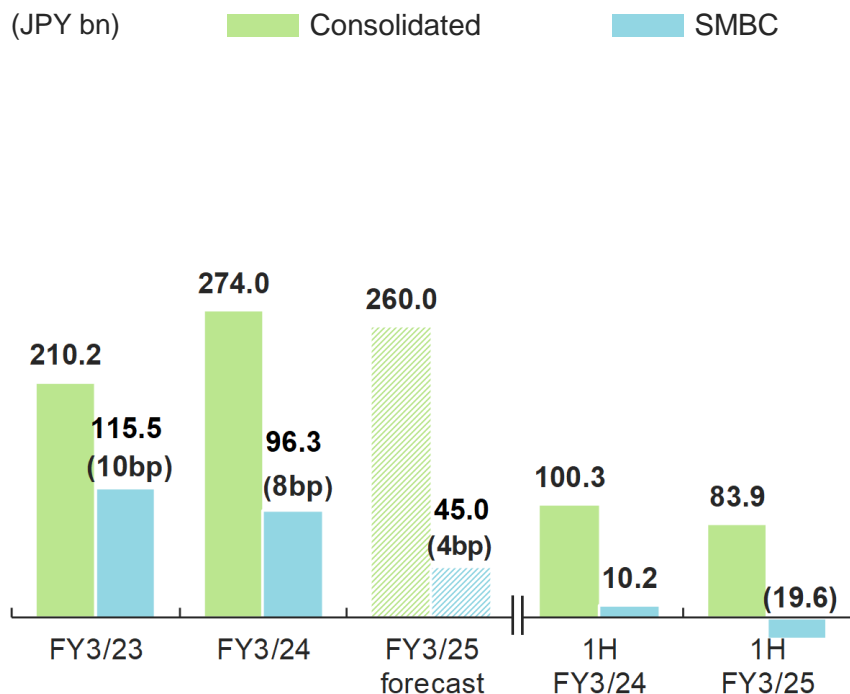


\*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

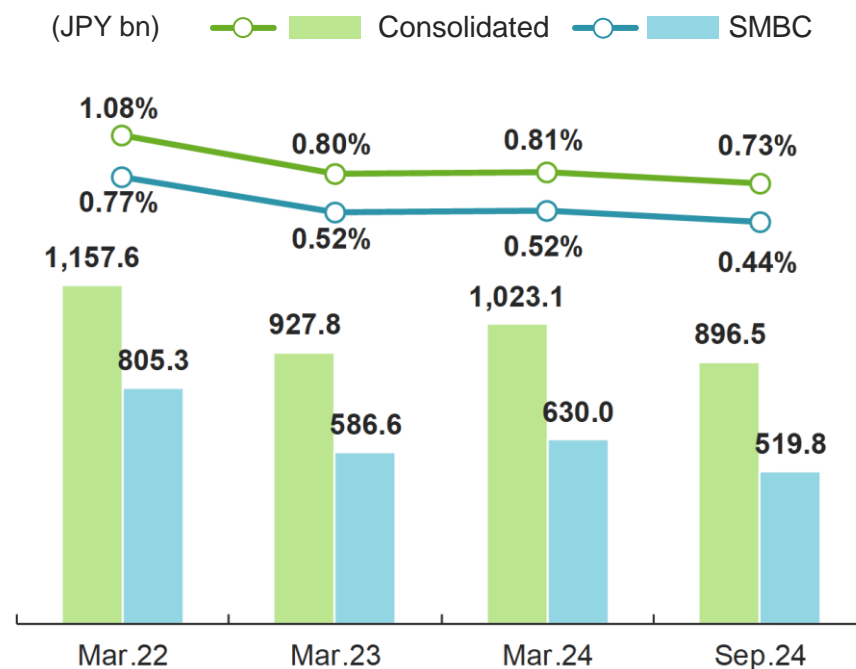
\*2 Quarterly average loan spread of existing loans



## Credit costs



## Non-performing loan ratio and balance\*1



## Major group companies

(JPY bn)	1H FY3/25	YoY
SMCC	70	+1
o/w SMBCCF	42	(1)
Overseas banking subsidiaries	27	+18
SMICC	12	(0)

## Total claims

	(JPY tn)		
Consolidated	116	126	124
SMBC	113	120	117
<b>Claims on borrowers requiring caution (excl. claims to substandard borrowers)</b>			
SMBC	1.8	1.8	1.7

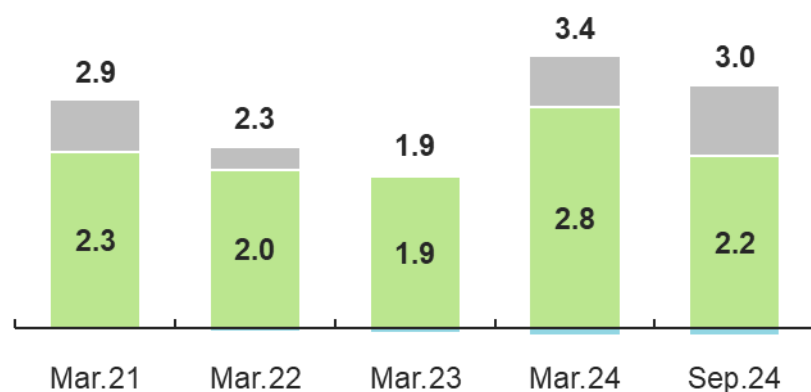
## Breakdown of other securities (consolidated)

	B/S amount		Unrealized gains (losses)	
	(JPY bn) Sep.24	vs Mar.24	Sep.24	vs Mar.24
<b>Held-to-maturity</b>	259.4	+25.3	(2.4)	(1.0)
<b>Available for sales</b>	37,824.1	+1,691.3	3,029.5	(363.6)
Stocks (domestic)	3,398.2	(721.6)	2,210.3	(626.8)
Bonds (domestic)	12,250.3	+1,489.9	(93.5)	+6.7
o/w JGBs	9,302.7	+1,755.3	(44.2)	+10.6
Others	22,175.6	+923.0	912.7 <sup>*1</sup>	+256.5
o/w Foreign bonds	17,607.6	+771.3	(402.4)	+288.2

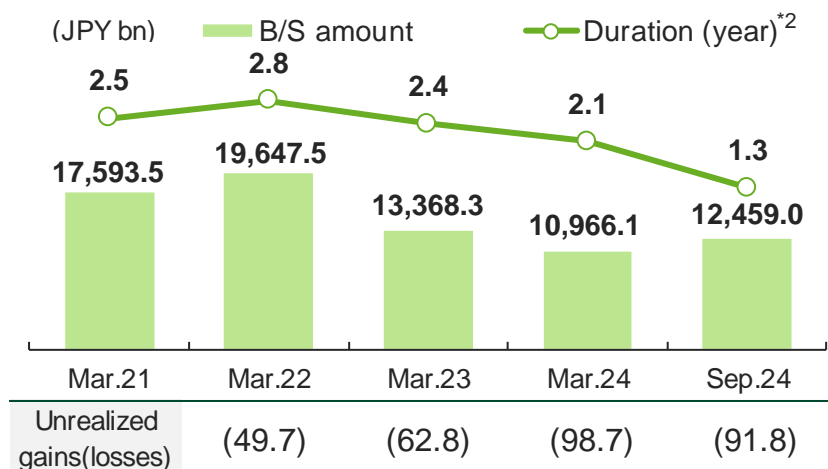
Risk volume is controlled by hedging and others

## Unrealized gains

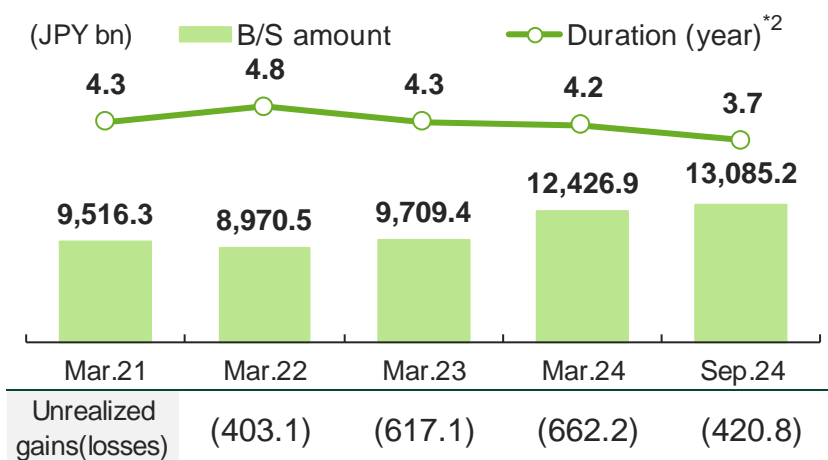
(JPY tn) ■ Stocks(domestic) ■ Bonds(domestic) ■ Others



## 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)

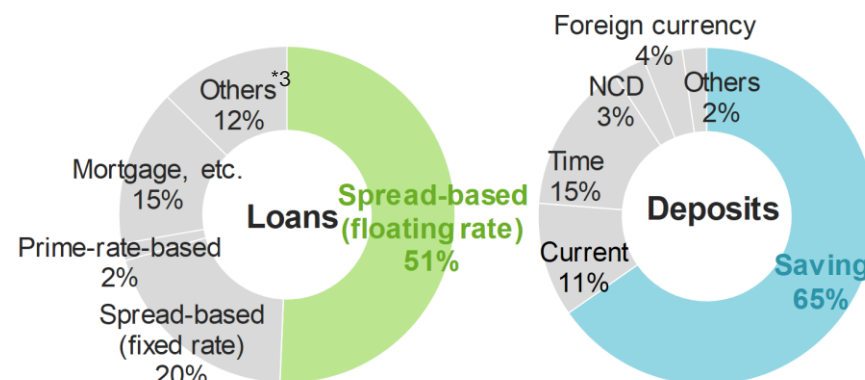
## Consolidated

(vs Mar.24)

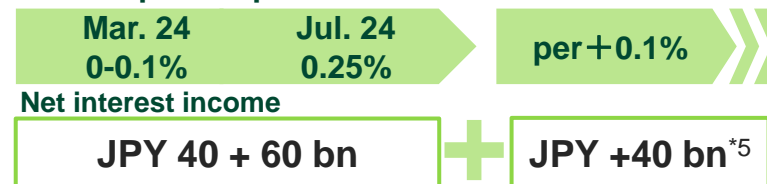
<p style="text-align: center;"><b>Loans</b></p> <p style="text-align: center;"><b>JPY 105.0 tn</b> (JPY (2.0) tn)</p> <table border="1" style="width: 100%;"> <tr> <td style="background-color: #90EE90;">Domestic loans<sup>*1</sup></td> <td style="text-align: right;">JPY 63.7 tn</td> </tr> </table>	Domestic loans <sup>*1</sup>	JPY 63.7 tn	<p style="text-align: center;"><b>Deposits</b></p> <p style="text-align: center;"><b>JPY 176.9 tn</b> (JPY (2.6) tn)</p> <p style="text-align: center;"><b>Loan to deposit ratio</b> <b>59.4%</b></p> <table border="1" style="width: 100%;"> <tr> <td style="background-color: #ADD8E6;">Domestic deposits<sup>*1</sup></td> <td style="text-align: right;">JPY 127.6 tn</td> </tr> <tr> <td style="background-color: #ADD8E6;">NCD</td> <td style="text-align: right;">JPY 13.3 tn</td> </tr> </table>	Domestic deposits <sup>*1</sup>	JPY 127.6 tn	NCD	JPY 13.3 tn
Domestic loans <sup>*1</sup>	JPY 63.7 tn						
Domestic deposits <sup>*1</sup>	JPY 127.6 tn						
NCD	JPY 13.3 tn						
<p style="text-align: center;"><b>Securities</b></p> <p style="text-align: center;"><b>JPY 38.8 tn (+JPY 1.7tn)</b></p> <table border="1" style="width: 100%;"> <tr> <td style="background-color: #90EE90;">JGBs</td> <td style="text-align: right;">JPY 9.3 tn</td> </tr> <tr> <td style="background-color: #90EE90;">Foreign bonds</td> <td style="text-align: right;">JPY 17.6 tn</td> </tr> </table>	JGBs	JPY 9.3 tn	Foreign bonds	JPY 17.6 tn	<p style="text-align: center;"><b>Others</b></p> <p style="text-align: center;"><b>JPY 98.3 tn</b> (JPY (2.7) tn)</p> <p style="text-align: center;"><b>Total net assets</b></p> <p style="text-align: center;"><b>JPY 14.9tn (+JPY 0.1tn)</b></p>		
JGBs	JPY 9.3 tn						
Foreign bonds	JPY 17.6 tn						
<p style="text-align: center;"><b>Others</b></p> <p style="text-align: center;"><b>JPY146.2 tn</b> (JPY (4.9) tn)</p> <table border="1" style="width: 100%;"> <tr> <td style="background-color: #D3D3D3;">Cash and due from banks</td> <td style="text-align: right;">JPY 73.6 tn</td> </tr> <tr> <td style="background-color: #D3D3D3;">BoJ's current account<sup>*1</sup></td> <td style="text-align: right;">JPY 57.5 tn</td> </tr> </table>	Cash and due from banks	JPY 73.6 tn	BoJ's current account <sup>*1</sup>	JPY 57.5 tn			
Cash and due from banks	JPY 73.6 tn						
BoJ's current account <sup>*1</sup>	JPY 57.5 tn						

**Total assets JPY 290.0 tn (JPY (5.2) tn)**

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



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



### Assumption

Floating rate loan	+25bps
Prime-rate based loan	+15bps
Fixed rate loan	+15bps
JGBs	+25bps
BOJ current account	all 25bps
Ordinary deposit	+10bps
Time deposit	+10bps

+10bps  
in both short-term  
and long-term rate

\*1 SMBC \*2 Managerial accounting basis \*3 Overdraft, foreign-currency-denominated, etc.

\*4 Based on assumption of no change in balance sheet \*5 Based on assumption and will change by market environment

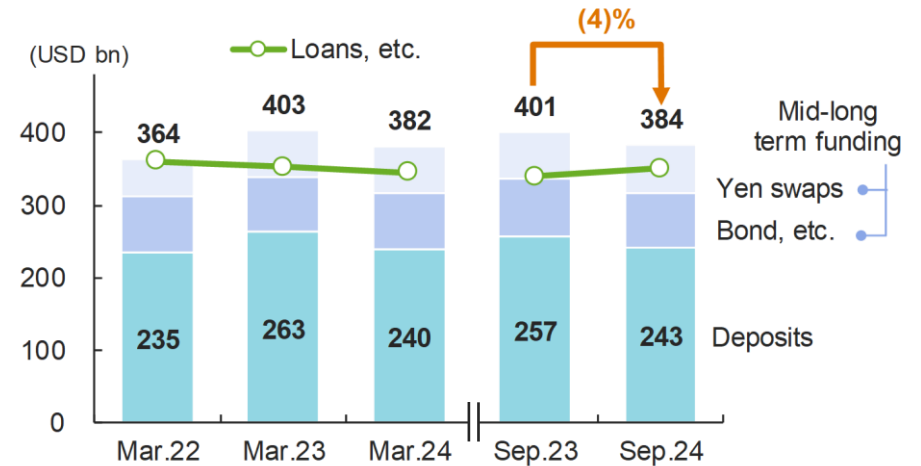
## Non-JPY B/S<sup>\*1,2</sup>

(vs Mar.24)

<b>Interest earning assets</b>	<b>Deposit<sup>*3</sup></b>
<b>USD 351 bn</b> (+USD 6 bn)	<b>USD 243 bn</b> (+USD 3 bn)
<b>Others</b>	<b>Mid-long term funding<sup>*4</sup></b>
<b>USD 128 bn</b> (USD (10) bn)	<b>USD 141 bn</b> (USD (1) bn)
<b>Foreign bonds, NCD</b>	<b>CD/CP</b>
<b>USD 87 bn</b> (+USD 3 bn)	<b>USD 75 bn</b> (USD (7) bn)
	<b>Interbank (incl. Repo)</b>
	<b>USD 107 bn</b> (+USD 4 bn)

**Assets / Liabilities USD 566 bn (USD (1) 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

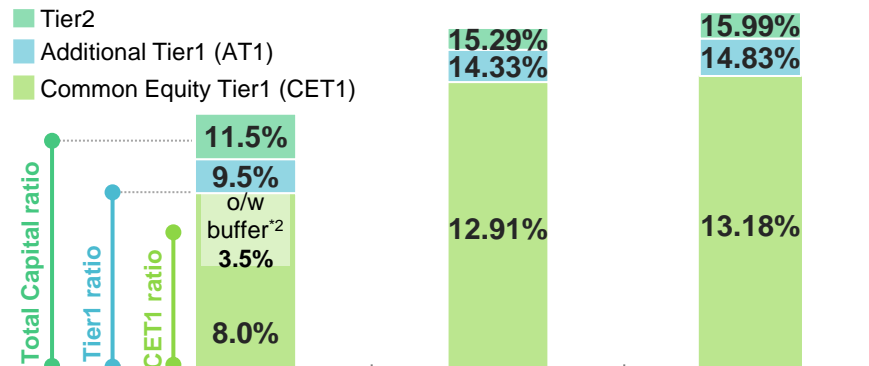
\*1 Managerial accounting basis \*2 Sum of SMBC and major local subsidiaries  
\*3 Incl. deposits from central banks \*4 Corporate bonds, currency swaps, etc

# Capital / RWA

## Capital ratio(Transitional basis)\*1

### Transitional basis

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



(JPY bn)	Mar. 24	Sep. 24
<b>Total capital</b>	<b>14,197.9</b>	<b>14,477.2</b>
Tier1 capital	13,311.6	13,420.9
o/w CET1 capital	11,992.6	11,930.3
Tier2 capital	886.3	1,056.3
<b>Risk-weighted assets</b>	<b>92,848.6</b>	<b>90,490.9</b>
<b>Finalized Basel III basis</b>		
CET1 ratio	10.9%	11.2%
excl. net unrealized gains on other securities	<b>9.9%</b>	<b>10.3%</b>
CET1 Capital <sup>*3</sup> (JPY tn)	10.2	10.3
RWA <sup>*3</sup> (JPY tn)	102.3	99.2

## Other requirement ratios

	Sep. 24	Requirement
<b>External TLAC ratio</b>		
RWA basis	<b>24.56%</b>	18.0%
Leverage exposure basis	<b>10.39%</b>	7.10%
<b>Leverage ratio</b>	<b>5.46%</b>	3.7%
<b>LCR (Average 2Q FY3/25)</b>	<b>133.6%</b>	100%

\*1 Basel III finalization phased-in started from Mar. 24. Revised RWA calculation will be fully implemented by Mar. 29

\*2 Capital conservation buffer: 2.5%+ G-SIBs surcharge: 1.0%. Countercyclical buffer (CCyB) omitted

\*3 Finalized Basel III basis, excl.net unrealized gains on other securities. RWA associated with net unrealized gains on stocks is excluded.

# Results by Business Unit (1)

## Retail

- Both gross profit and net business profit increased, as every business performed well and income on deposit increased by rising interest rates. Overhead ratio improved.
- Both net income and ROCET1 improved, excluding the allowance of interest repayment.

	(JPY bn)	1H FY3/25	YoY*1
Gross profit		668.4	+63.3
Income on loans and deposits *2		66.0	+10.4
Wealth management business		165.7	+20.5
Payment business		268.8	+18.3
Consumer finance business		149.8	+8.7
Expenses		541.8	+34.7
Over head ratio		81.1%	(1.6)%
Base expenses		366.1	(0.3)
Net business profit		128.8	+27.5
Total credit cost		70.1	+1.1
Net income		(51.7)	(74.9)
Net income *3		36.3	+13.1
ROCET1*3		6.1%	+1.8%
RWA (JPY tn)		12.9	+0.7

## Wholesale

- Both gross profit and net business profit increased due to loan volume and margins, as well as growing securities business.
- Additionally, gains on sales of equity holdings significantly increased net income and improved ROCET1.

	(JPY bn)	1H FY3/25	YoY*1
Gross profit		441.2	+47.2
Income on loans and deposits		197.6	+34.0
FX and money transfer fees		69.7	+2.8
SMBC Loan syndication		26.4	+5.4
Structured finance		17.9	(5.9)
Real estate finance		7.8	+0.7
Securities business		43.3	+13.6
Expenses		163.1	+14.0
Over head ratio		37.0%	(0.8)%
Base expenses		147.3	+5.4
Net business profit		338.2	+38.6
Total credit cost		(10.2)	(15.9)
Gains (losses) on stocks		252.8	+199.6
Net income		428.0	+179.1
ROCET1		23.5%	+9.8%
RWA (JPY tn)		34.7	(0.2)

\*1 Managerial accounting basis (after adjustments of the changes in exchange rates)

\*2 Excl. consumer finance \*3 Excl. the radical allowance on interest repayment

## Results by Business Unit (2)

### Global

- Both gross profit and net business profit increased due to improvement on loan margins and volume and an increase on loan related fees.
- Net income and ROCET1 declined while expenses continue increasing as well as credit costs increased due to the consolidation of OTO/SOF.

	(JPY bn)	1H FY3/25	YoY*1
Gross profit		643.9	+39.4
Income on loans and deposits		320.1	+14.0
Loan related fees		119.5	+18.2
Securities business		40.2	+5.7
Expenses		426.2	+39.6
Over head ratio		66.2%	+2.2%
Base expenses		418.2	+38.2
Equity in gains(losses) of affiliates		29.9	+8.8
Net business profit		262.3	+11.5
Total credit cost		49.2	+22.0
Net income		155.5	(5.0)

ROCET1	6.6%	(0.4)%
RWA (JPY tn)	48.9	+1.0

### Global market

- Banking profit increased steadily by the nimble operation despite of volatile market conditions.
- Sales and trading business also show good performance by capturing clients' flow.

	(JPY bn)	1H FY3/25	YoY*1
Gross profit		362.6	+67.7
SMBC		237.0	+47.0
SMBC Nikko		83.6	+9.0
Expenses		93.9	+11.7
Over head ratio		25.9%	(2.0)%
Base expenses		55.7	+4.2
Net business profit		285.5	+57.0
Net income		198.4	+38.5

ROCET1*2	25.4%	+3.4%
RWA (JPY tn)	7.0	+0.1

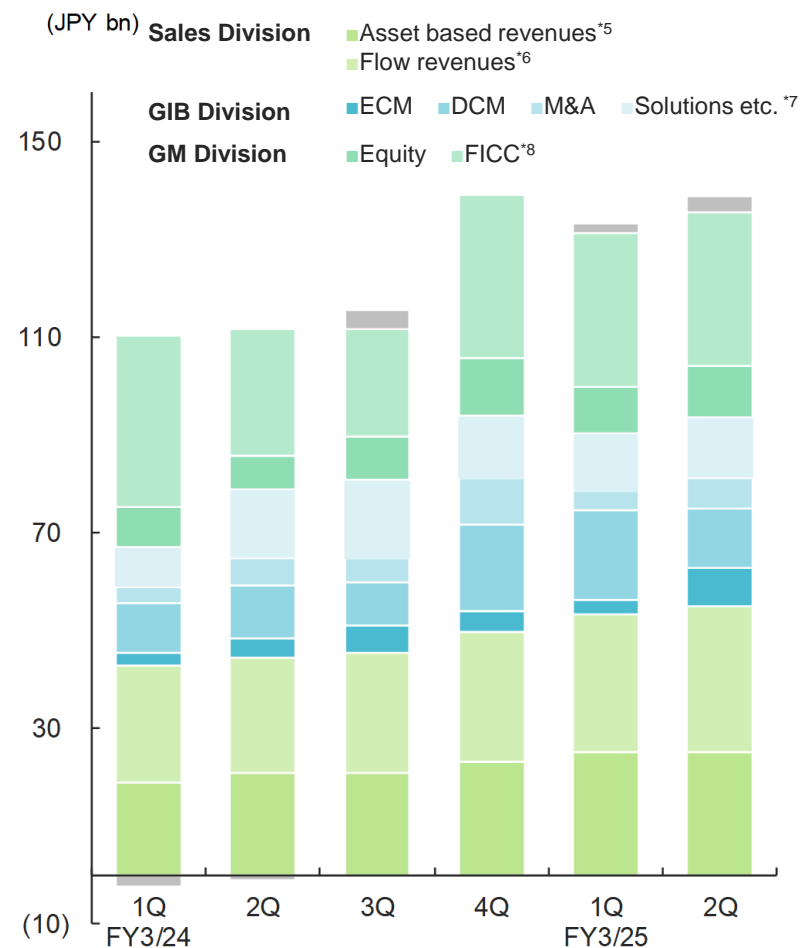
\*1 Managerial accounting basis (after adjustments of the changes in exchange rates)

\*2 Incl. impact from the interest-rate risk associated to the banking account

## Financial results

(JPY bn)	FY3/24	1H FY3/25	YoY
<b>Net Operating revenue</b>	473.5	272.0	+53.6
<b>SG&amp;A expenses</b>	401.9	215.5	+22.3
<b>Operating profits</b>	71.6	56.5	+31.3
<b>o/w Sales Divison</b>	10.1	15.3	+12.2
<b>GIB Division <sup>*2</sup></b>	21.8	13.2	+9.7
<b>GM Division <sup>*3</sup></b>	45.5	27.3	+1.1
<b>Ordinary profits</b>	80.2	58.2	+31.5
<b>Net income</b>	57.6	54.6	+35.9
<b>Client assets <sup>*4</sup></b> (JPY tn)	82.7	80.4	

## Net operating revenue



\*1 Incl. profits from SMBC Nikko America and SMBC Capital Markets (managerial accounting basis)

\*2 Global Investment Banking Division \*3 Global Markets Division \*4 Non-consolidated

\*5 Agency commissions on investment trusts, insurance and fund wrap discretionary investment fee, etc.

\*6 Equity brokerage commissions, etc. \*7 Mainly, business that utilizes the company's balance sheet and derivatives

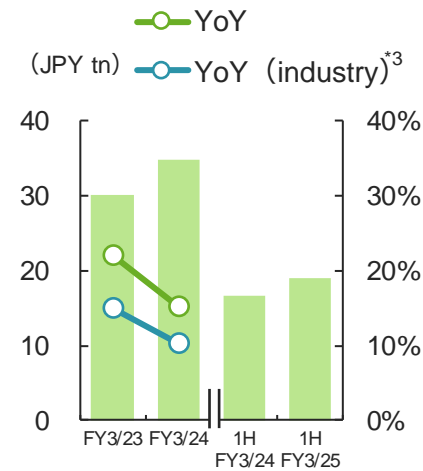
\*8 Fixed Income, Currency and Commodities



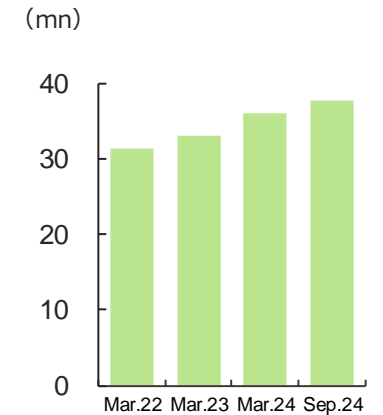
## Financial results

(JPY bn)	FY3/24	1H FY3/25	YoY
<b>Operating revenue</b>	901.7	470.4	+33.0
o/w Commission fee	228.4	124.5	+15.2
Finance	306.4	160.8	+10.3
o/w SMBCCF	147.0	77.2	+5.0
Sales on credit and receipt agency	81.1	41.0	(0.2)
Loan guarantee revenue	77.4	41.0	+3.0
<b>Operating expenses</b>	785.8	515.2	+130.6
o/w For loan losses	109.8	74.2	+1.8
o/w SMBCCF	54.0	45.9	(0.3)
For interest repayment	23.0	99.0	+99.0
For loan guarantees	16.0	3.1	(0.4)
<b>Ordinary profit</b>	57.6	(48.1)	(7.1)
o/w Non-operating revenue	1.2	2.3	+1.5
Non-operating expenses	59.5	5.6	(8.4)
<b>Net income</b>	21.2	(8.8) <sup>*1</sup>	(35.0)
<b>NPLs<sup>*2</sup></b>	98.9	104.2	
<b>(NPL ratio)</b>	10.04%	10.21%	
<b>Allowance on interest<sup>*2</sup></b>	83.7	174.6	
<b>repayments (provision)</b>	4.0yrs	10.8yrs	

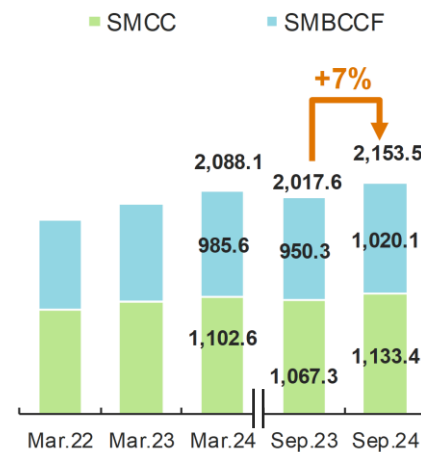
## Sales handled



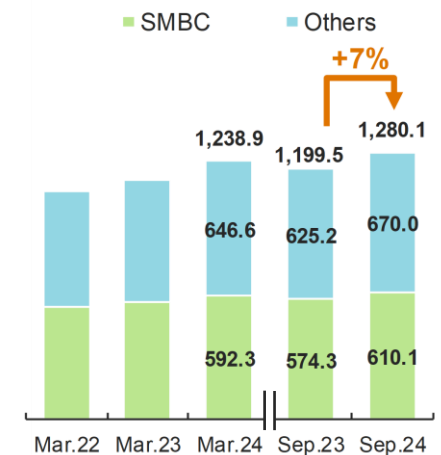
## # of card holders



## Consumer loans<sup>\*4</sup>



## Loan guarantee<sup>\*2</sup>



\*1 Recorded the gain on extinguishment of tie-in shares related to the merger with SMBCCF: +JPY 46.6 bn \*2 Only SMBCCF

\*3 Japan Consumer Credit Association "Credit card behavior investigation" Shopping credit amount

\*4 The Figure from FY3/23 has been adjusted to the reorganization of SMBC Mobit in Apr.23