

Investors Meeting 1H FY3/2021

November 18, 2020



SUMITOMO MITSUI
FINANCIAL GROUP

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

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

Exchange rates (TTM)

	Sep. 19	Mar. 20	Sep. 20
USD	JPY 107.93	JPY 108.81	JPY 105.78
EUR	JPY 118.01	JPY 119.52	JPY 124.18

Definitions

SMFG	Sumitomo Mitsui Financial Group, Inc.
SMBC	Sumitomo Mitsui Banking Corporation
SMBC Trust	SMBC Trust Bank
SMFL	Sumitomo Mitsui Finance and Leasing
SMBC Nikko	SMBC Nikko Securities
SMCC	Sumitomo Mitsui Card Company
SMBCCF	SMBC Consumer Finance
SMDAM	Sumitomo Mitsui DS Asset Management
SMBC AC	SMBC Aviation Capital
Major local subsidiaries	SMBC Europe, SMBC Bank EU, SMBC (China)
Consolidated	SMFG consolidated
Non-consolidated	SMBC non-consolidated
Expenses (non-consolidated)	Excluding non-recurring losses
Net business profit	Before provision for general reserve for possible loan losses
Retail Business Unit	Domestic retail business
Wholesale Business Unit	Domestic wholesale business
Global Business Unit	International business
Global Markets Business Unit	Market / Treasury related businesses
OCI	Net unrealized gains on other securities

Agenda

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I. Financial Results and Impact of COVID-19

Income statement

Progress rate of 1H results towards FY3/21 full-year target :

Consolidated net business profit 57%, Profit attributable to owners of parent 68%

	(JPY bn)	1H FY3/21	YoY	FY3/21 target
1 Consolidated gross profit		1,377.4	(5.8)	
2 G&A expenses		836.4	(22.3)	
Overhead ratio		60.7%	(1.4)%	
3 Equity in gains (losses) of affiliates	Progress	10.2	(19.9)	
4 Consolidated net business profit	57%	551.2	(3.4)	970
5 Total credit cost		200.2	+135.8	450
6 Gains (losses) on stocks		36.3	(34.0)	
7 Other income (expenses)		(41.0)	(38.9)	
8 Ordinary profit		346.3	(212.1)	550
9 Extraordinary gains (losses)		(4.4)	(25.0)	
10 Income taxes		71.4	(64.3)	
11 Profit attributable to owners of parent	68%	270.1	(161.8)	400
12 ROE		5.7%	(3.7)%	

- **Consolidated gross profit:** decreased YoY only slightly even under COVID-19, due to a) higher gains on sales of bonds in Global Market Business unit and b) recovery of Retail, Wholesale, and Global Business Units in 2Q.
- **G&A expenses:** decreased YoY by controlling operating cost under COVID-19 and executing key initiatives to reduce base expenses.
- **Equity in gains of affiliates:** decreased YoY mainly due to lower profits at SMBCAC and affiliates in Asia.
- **Total credit cost:** increased YoY due to COVID-19 both in the domestic and overseas businesses.
- **Gains on stocks:** decreased YoY due to lower gains on sales of strategic shareholdings (JPY 35 bn, YoY JPY (24) bn).
- **Other income:** decreased YoY mainly due to the loss from forward dealings which aim to control risk of stocks.
- **Extraordinary gains:** decreased YoY mainly due to the absence of the gains on step acquisitions on the reorganization of the group asset management companies recorded in FY3/20 (YoY JPY (22) bn).

(Ref.) Group companies

SMBC

	(JPY bn)	1H FY3/21	YoY	FY3/21 target
1 Gross banking profit		748.6	+12.8	
2 o/w Net interest income		435.6	(5.6)	
3 o/w Gains (losses) on cancellation of investment trusts		11.6	+1.6	
4 Domestic		271.6	(5.8)	
5 Overseas		164.0	+0.2	
6 o/w Net fees and commissions		144.2	(6.5)	
7 Domestic		68.4	(12.3)	
8 Overseas		75.8	+5.8	
9 o/w Net trading income+ Net other operating income		167.9	+24.9	
10 o/w Gains (losses) on bonds		105.0	+19.2	
11 Expenses		397.9	(4.9)	
12 Banking profit		350.7	+17.7	520
13 Total credit cost		128.6	+120.2	290
14 Gains (losses) on stocks		34.3	(38.8)	
15 Extraordinary gains (losses)		(65.4)	+40.2	
16 Net income		144.4	(49.6)	170

Other major group companies

(left : results of 1H FY3/21 / right : YoY)						
(JPY bn)	SMBC Nikko ^{*1}		SMCC		SMBCCF	
Gross profit	197.2	+27.8	188.4	(20.6)	131.3	(5.7)
Expenses	146.8	(0.7)	152.6	(5.2)	52.1	(3.8)
Net business profit	50.3	+28.5	36.0	(15.4)	79.2	(1.8)
Net income	39.8	+20.8	18.9	(12.7)	43.8	+3.4

	(Equity method affiliate)						
	SMBC Trust		SMDAM		50%	SMFL ^{*2}	50%
Gross profit	18.2	(6.9)	15.9	(2.1)		80.3	(10.6)
Expenses	22.1	(2.2)	16.0	+0.1		41.3	(0.7)
Net business profit	(3.9)	(4.7)	(0.0)	(2.2)		41.2	(10.2)
Net income	(6.0)	(6.7)	(0.6)	(1.6)		12.7	(21.4)

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

* 2 Managerial accounting basis

Impact of COVID-19 (1) Summary

While impact of COVID-19 in 1H was smaller than our original forecast, the full-year forecast remains unchanged because of the continuing uncertain environment including the resurgence of COVID-19.

	FY3/21 target		Impact of COVID-19			1H FY3/21			
	As of Feb. 20	Announced in May 20	Forecast		Result	Target announced in May 20	vs. forecast Impact of COVID-19	Others	Result
(JPY bn)	A	B	FY3/21 C	1H FY3/21 D	1H FY3/21 E	F	G	H	I
Consolidated net business profit	1,140	970	(170)	(120)	(60)	420	1 +60	2 +70	551.2
Credit cost	190	450	+260	+200	+100	300	3 (100)	-	200.2
Profit attributed to owners of parent	710	400	(310)	(230)	(110)	100	+120	+50	270.1
RWA (JPY tn)	87	92	Cumulative +5		Cumulative +3				
CET1 ratio Δ of CET 1 ratio	10%	9.5%	9.5% (0.5%)		9.7% (0.3%)				
Impact of COVID-19 is shown in round numbers									
Overhead ratio	FY3/20 62.8%		1H FY3/21 60.7%		Lower operating cost under COVID-19				

1

Higher loan interest income and profits in the wealth management business, while lower profits at SMCC, SMBCCF, and BTPN

2

Higher profits in the Global Market Business Unit

3

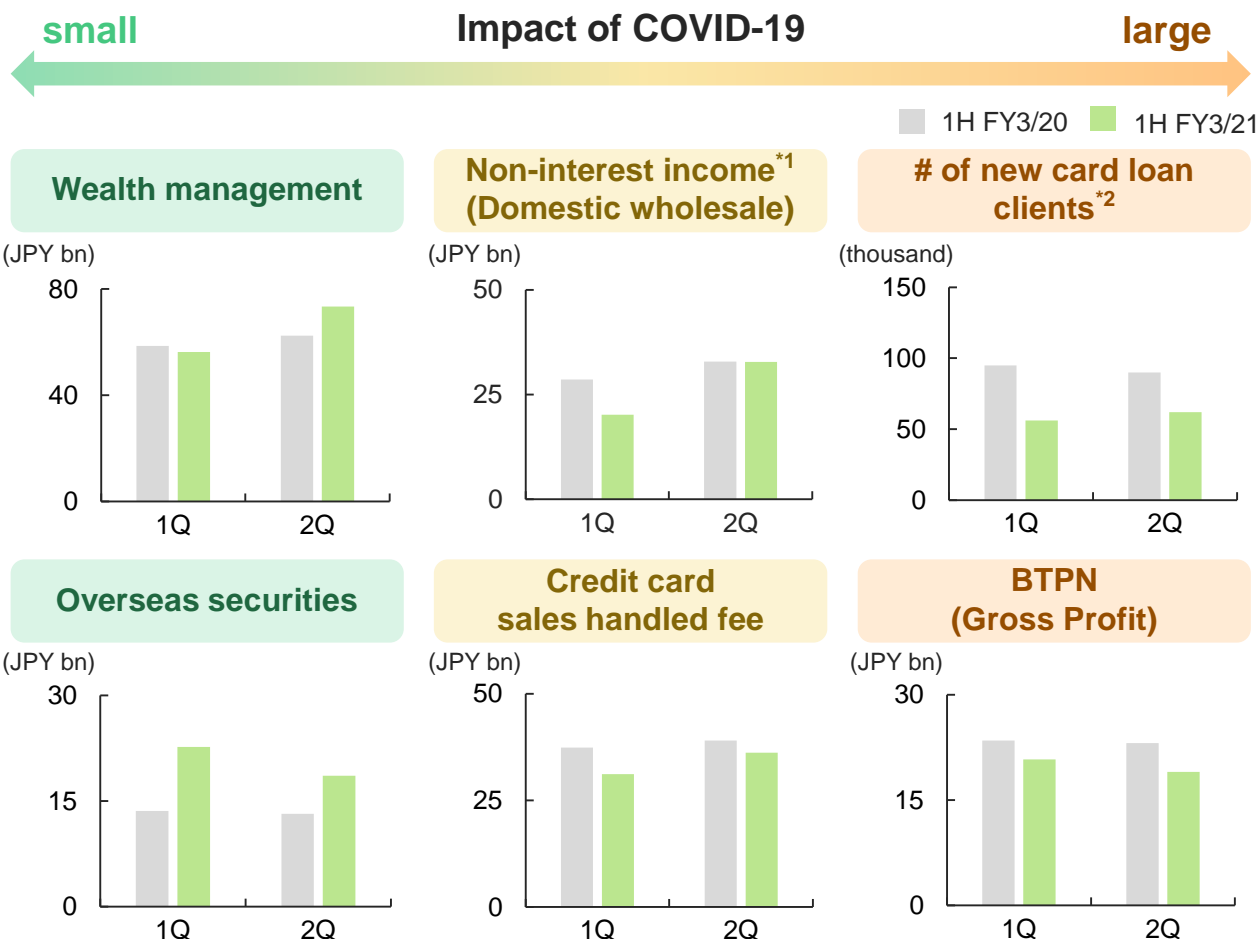
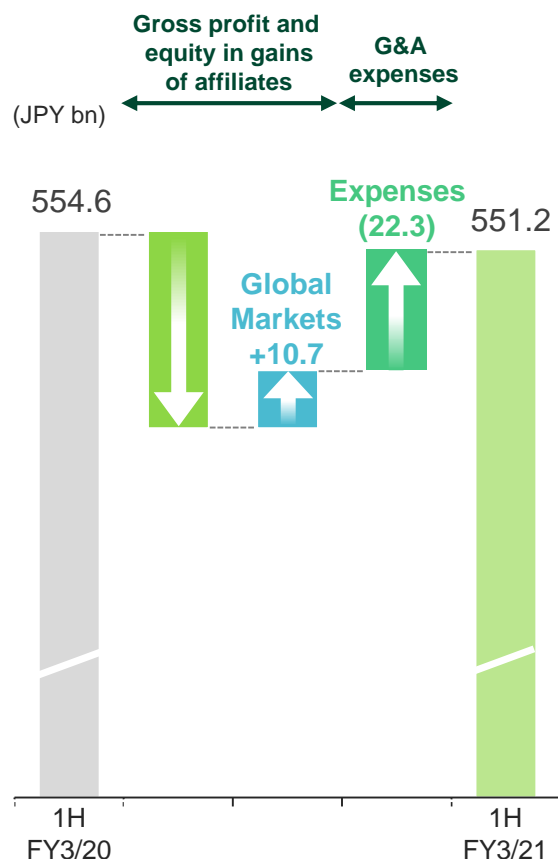
Lower due to worldwide government support and liquidity support from banks

- 1 Higher loan interest income and profits in the wealth management business, while lower profits at SMCC, SMBCCF, and BTPN
- 2 Higher profits in the Global Market Business Unit
- 3 Lower due to worldwide government support and liquidity support from banks

(Ref.) Impact of COVID-19 in Consolidated net business profit

Consolidated net business profit in 1H was almost the same level as last year due to the strong performance of the Global Markets Business Unit and lower G&A expenses.

Consolidated net business profit



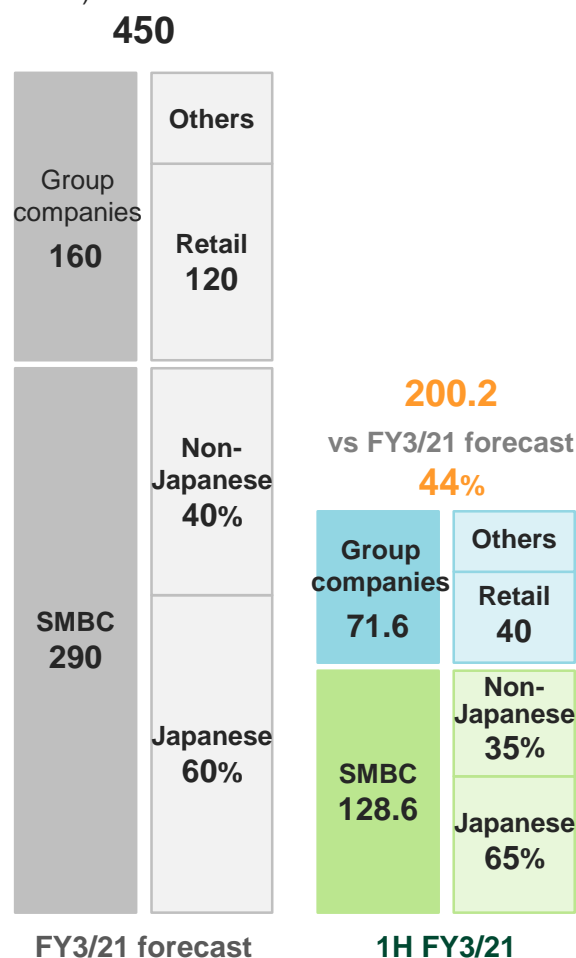
*1 Syndicated loans, Structured finance, Real estate finance, and Securities business

*2 SMBCCF

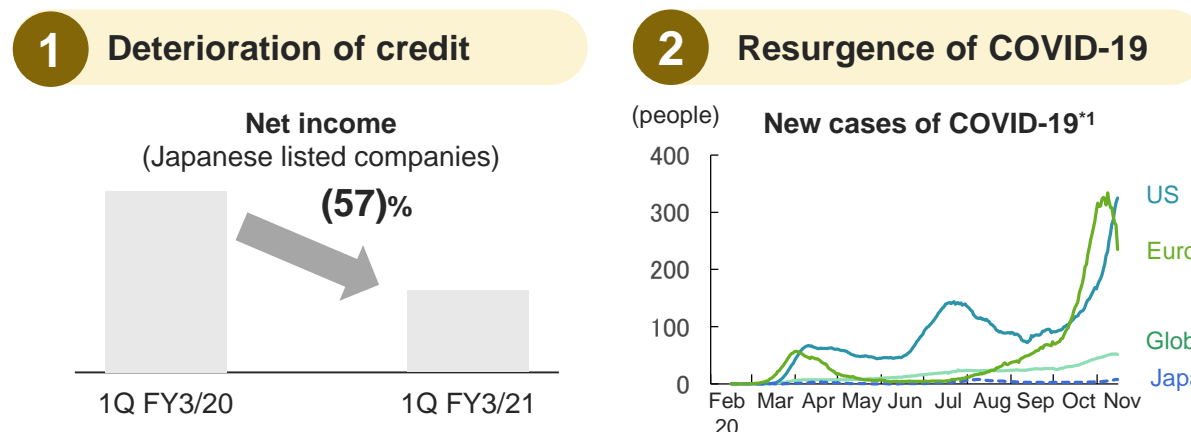
Impact of COVID-19 (2) Credit cost

While credit cost in 1H was lower than our original forecast due to worldwide government support and liquidity support from banks, the full-year forecast remains unchanged because of risk factors including the deterioration of credit in 2H and the resurgence of COVID-19.

(JPY bn)



Risk factors



*1 Made by Japan Research Institute using data from Bloomberg (per week / 100 thousand of population)

(Ref.) Breakdown of credit cost at SMBC

	Japanese	Non-Japanese
Credit Cost JPY 128.6 bn (1H FY3/21)	65%	35%
Ratio of specific sectors	Over 80% <ul style="list-style-type: none">● Automobile● Leisure and hotel● Airline● Restaurants● Oil & Gas	Over 80%
Size of company	Lower than expected from mid-sized and SMEs	Mainly from large corporates

Details of non-Japanese

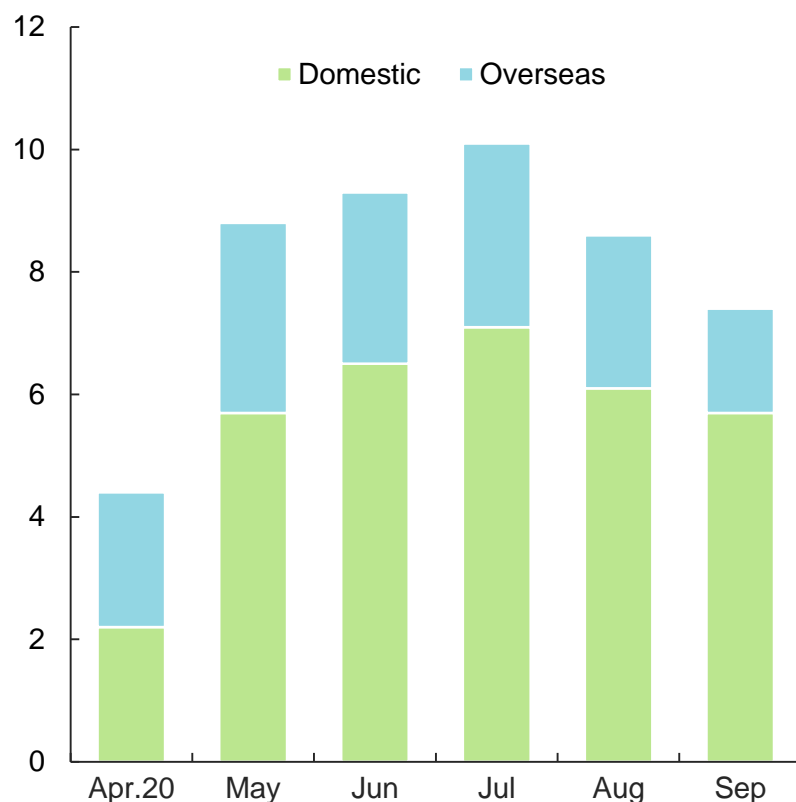
(JPY tn)	Outstanding	Remarks
Leisure and hotel	0.6	● Credit cost came mainly from leisure companies
Airline	0.9	● Exposure mainly to top-tier airlines with aircraft collateral
Restaurants	0.1	● Credit cost came mainly from LBO (details; "LBO in US and Europe" in below)
Oil & Gas	6.5	<ul style="list-style-type: none"> ● Have avoided upstream and services ● Higher oil price than initial assumption
LBO in US and Europe (USD bn)	8.0	<ul style="list-style-type: none"> ● Control outstanding by closely monitoring market conditions ● Select sectors / add covenants
CLO (USD bn)	Investment 1.2	<ul style="list-style-type: none"> ● Credit ratings; all AAA ● Continue to control outstanding

Impact of COVID-19 (3) Credit

COVID-19 related credit increased by proactively supporting our clients until July when clients started making repayments. Healthy portfolio is maintained both in domestic and overseas.

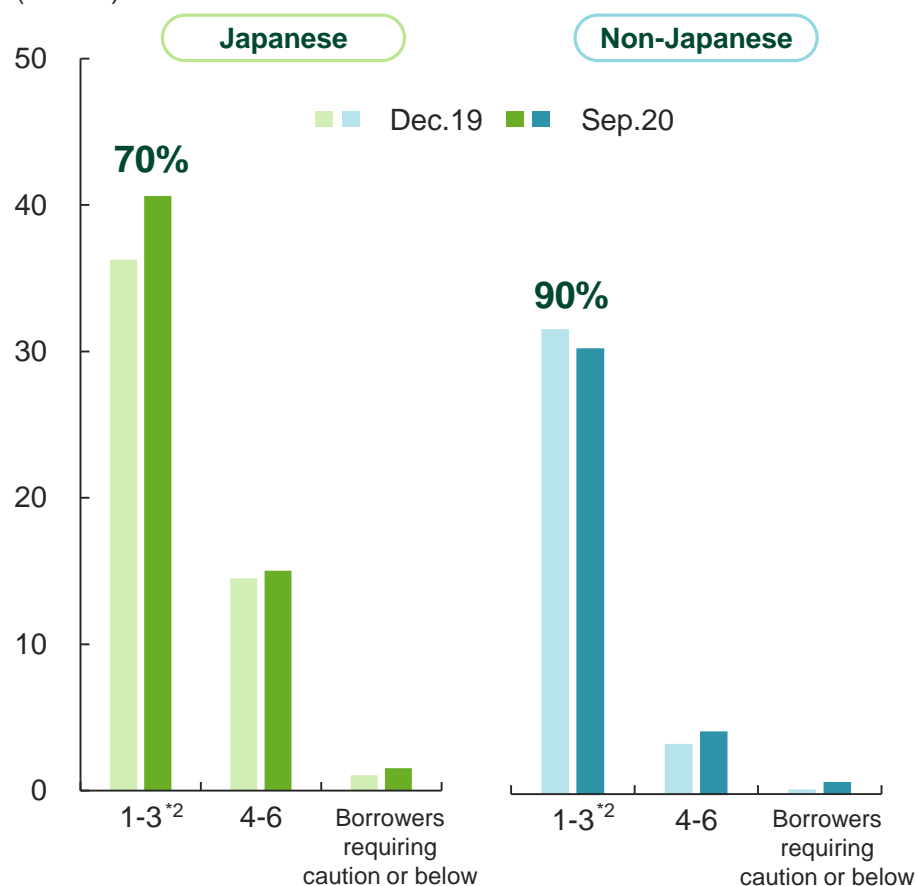
COVID-19 related credit^{*1}

(JPY tn)



Credit exposure by internal ratings

(JPY tn)



^{*1} Sum of SMBC and major local subsidiaries

^{*2} Possibility of default is 0.1% and below for Japanese, and 0.8% and below for Non-Japanese

Impact of COVID-19 (4) Aircraft leasing

Credit and asset impairment charges increased due to the pronounced and prolonged impact of COVID-19. Work on initiatives to reduce risk and pursue sustainable growth in the mid to long term.

Business conditions

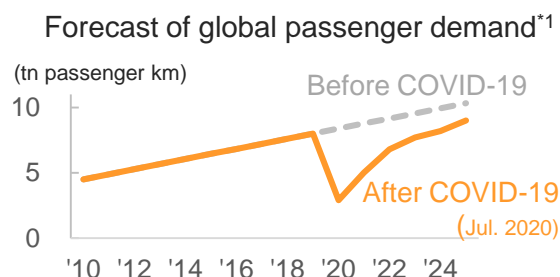
Lower passenger demand

Demand forecast
Dec. 20

YoY **▲66%**

Recover to
before COVID-19

in 2024



Bankruptcy of airlines

Mainly in developing countries that lack government support

Early retirement of aircrafts

Mainly in wide body and aged aircrafts.

No aircrafts returned to SMBCAC so far.

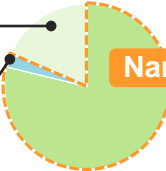
SMBCAC

(USD mm)

	1H FY3/20	1H FY3/21	FY3/20
Lease income	565	571	1,135
Credit / Asset impairment charges	5	125	32
Net income	189	19	334

Response to COVID-19

Strong business model to overcome down cycle

Aircraft portfolio	<div><div>Wide Body</div><div>(A350 · B787)</div><div>B737</div><div>MAX</div></div> <div><div><div>Narrow Body</div><div>Over 80%</div></div></div>	Avg. age 4.3 years
Credit monitoring	Industry experience of 5 executives 30 years each	
Liquidity	S&P rating A— No.1 in industry	Undrawn commitment lines USD 5 bn

Accelerate initiatives to reduce risk and increase profit

Aircraft manufacturer	Postpone delivery of aircrafts on order Boeing 68 etc.	Risk volume
Airlines	Negotiate continuous use of aircrafts	Impairment charges
Healthy airlines	Profitable sales & lease back Double ROA vs before COVID-19	Profit

(Ref.) Our response to COVID-19

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

Customers

- All SMBC branches are open and ATMs remain accessible in Japan
- Supporting urgent financial needs **Max. JPY 10 tn**

Consumers

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

Corporates

- Extending credit using special funds-supplying operations by BOJ
 - Fund to maintain supply chain : JPY 600 bn
 - Fund to respond to COVID-19 impact : JPY 400 bn
- Loans with government covered programs
- Offering customer relief
 - Waiving fees on SME loans (“Business select loan”)
 - Flexibility in credit process and relaxing conditions
- Established investment fund to support medical ventures



Employees

- No COVID-19 related layoffs
- Continue to pay even if working hours are reduced
- Utilize working from home
- Prevent infection within offices and branches
- Providing medical and mental healthcare support



Communities

- JPY 1.5 bn donation to COVID-19 relief efforts including medical, education, and culture art.
- SMBC at Home
 - Donations through online-banking



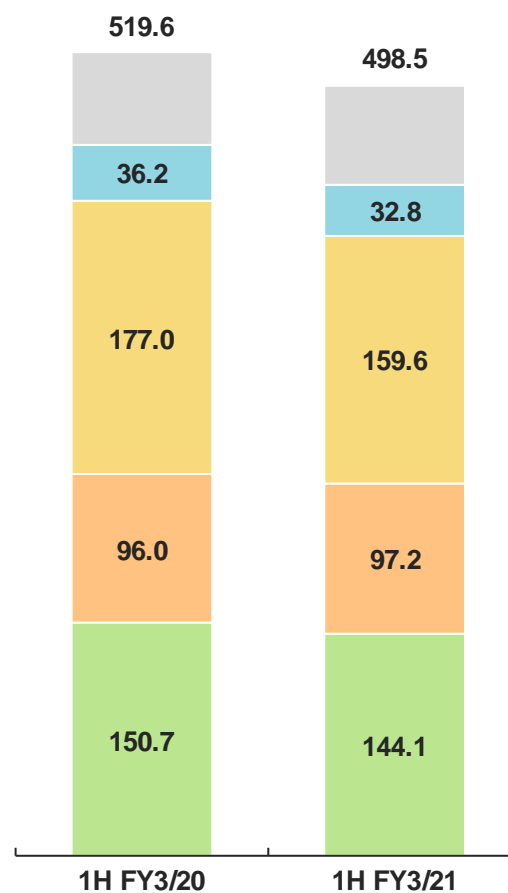
Consolidated gross profit

■ SMBC ■ SMBC Nikko ■ SMCC ■ SMBCCF ■ SMFL ■ Others

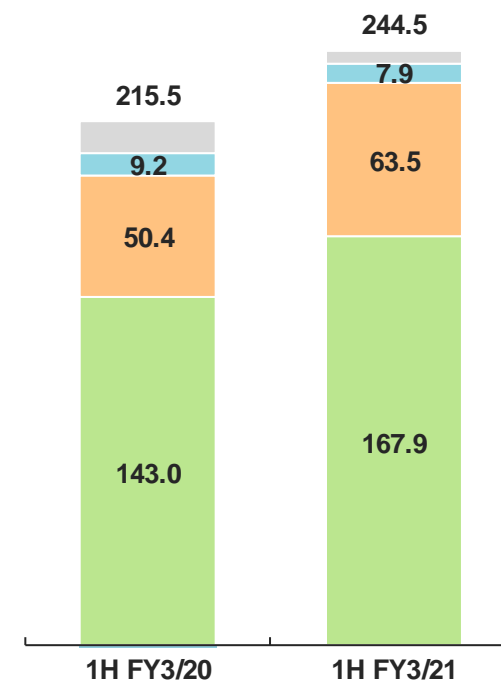
Net interest income



Net fees and commissions



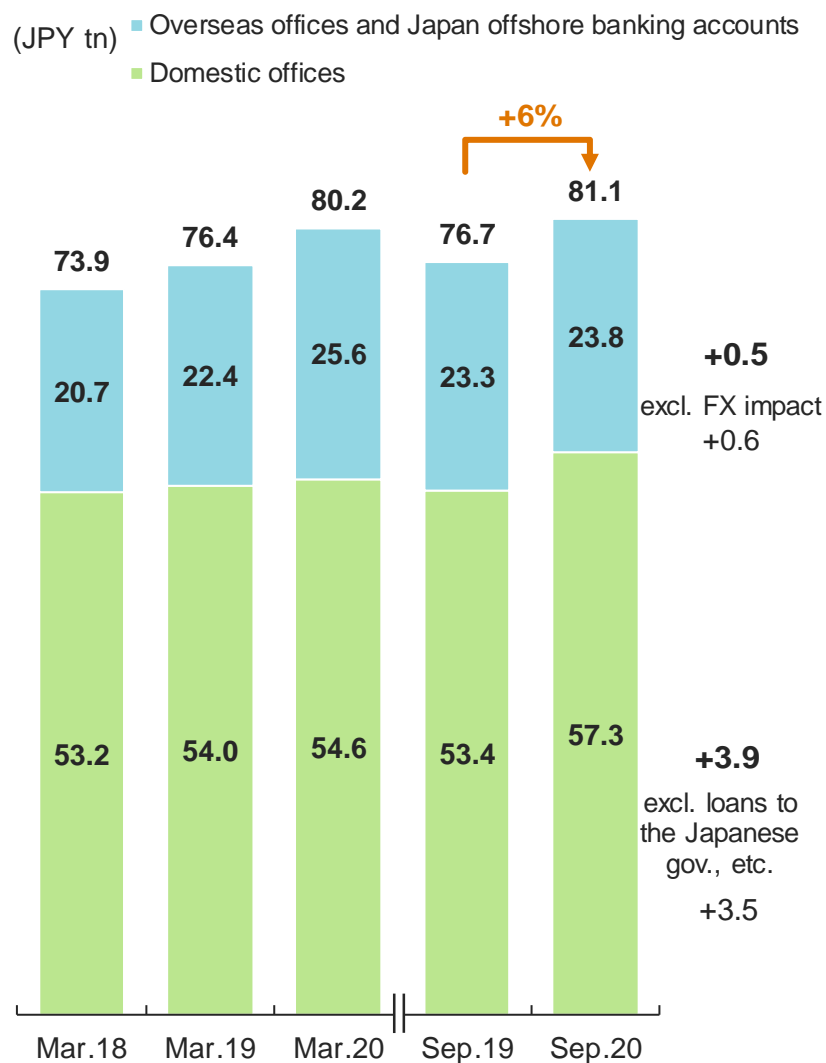
Net trading income + Net other operating income



*1 Excluding gains on cancellation of investment trusts

Loans*1

Loan balance



Domestic loan-to-deposit spread

	1H FY3/21	YoY	1Q	2Q
(%)				
Interest earned on loans and bills discounted	0.83	(0.08)	0.84	0.82
Interest paid on deposits, etc.	0.00	(0.00)	0.00	0.00
Loan-to-deposit spread	0.83	(0.08)	0.84	0.82

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

Interest earned on loans and bills discounted	0.86	(0.08)	0.87	0.85
Loan-to-deposit spread	0.86	(0.08)	0.87	0.85

Average loan balance and spread*2

	Balance (JPY tn)		Spread (%)	
	1H FY3/21	YoY*4	1H FY3/21	YoY
Domestic loans	56.6	+4.4	0.70	(0.04)
Excluding loans to the Japanese government, etc.	53.6	+4.1	0.73	(0.04)
o/w Large corporations	19.2	+3.4	0.50	(0.03)
Mid-sized corporations & SMEs	18.6	+1.2	0.60	(0.03)
Individuals	12.4	(0.6)	1.44	(0.03)
GBU's interest earning assets*3	341.9 USD bn	+39.4 USD bn	1.15	+0.04

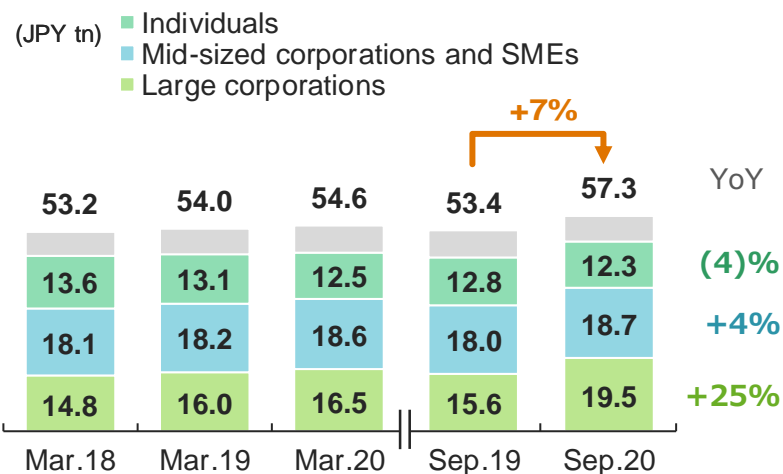
*1 Non-consolidated *2 Managerial accounting basis

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

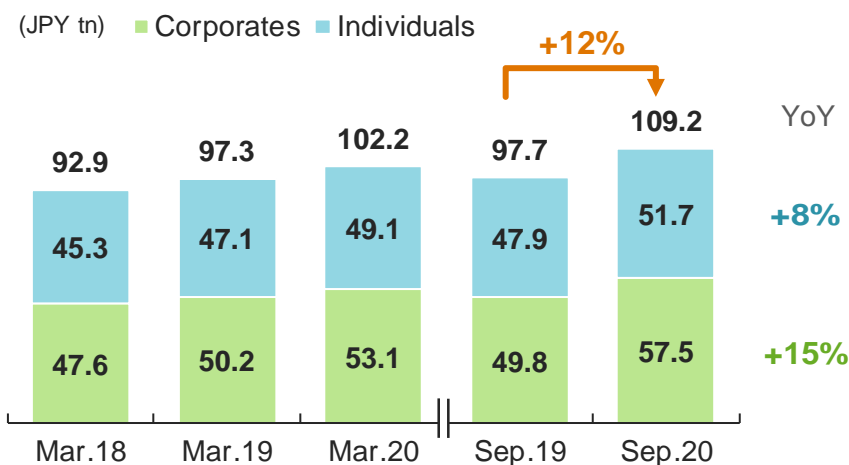
*4 After adjustments for exchange rates, etc.

Domestic loans and deposits*1

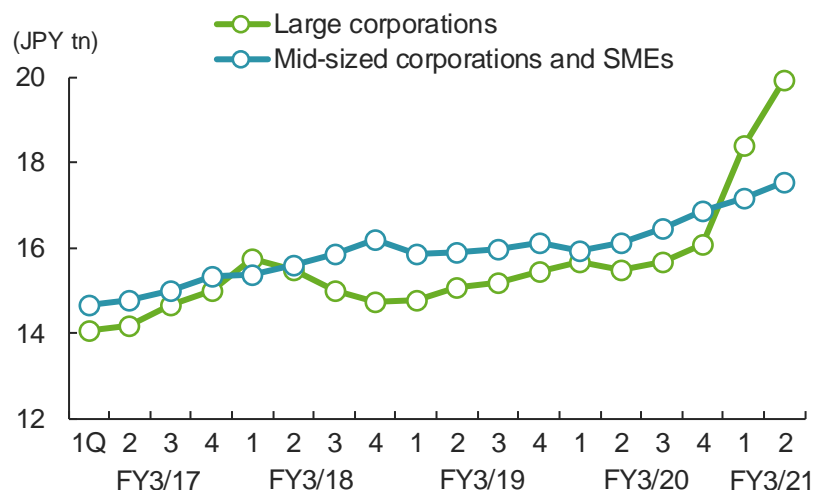
Loan balance*2



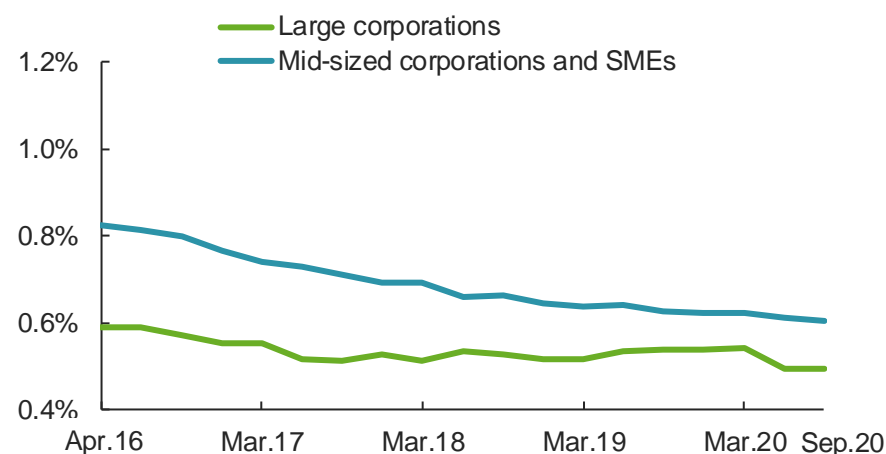
Deposit balance



Loan average balance for corporates*2,3



Loan spread for corporates*2,4



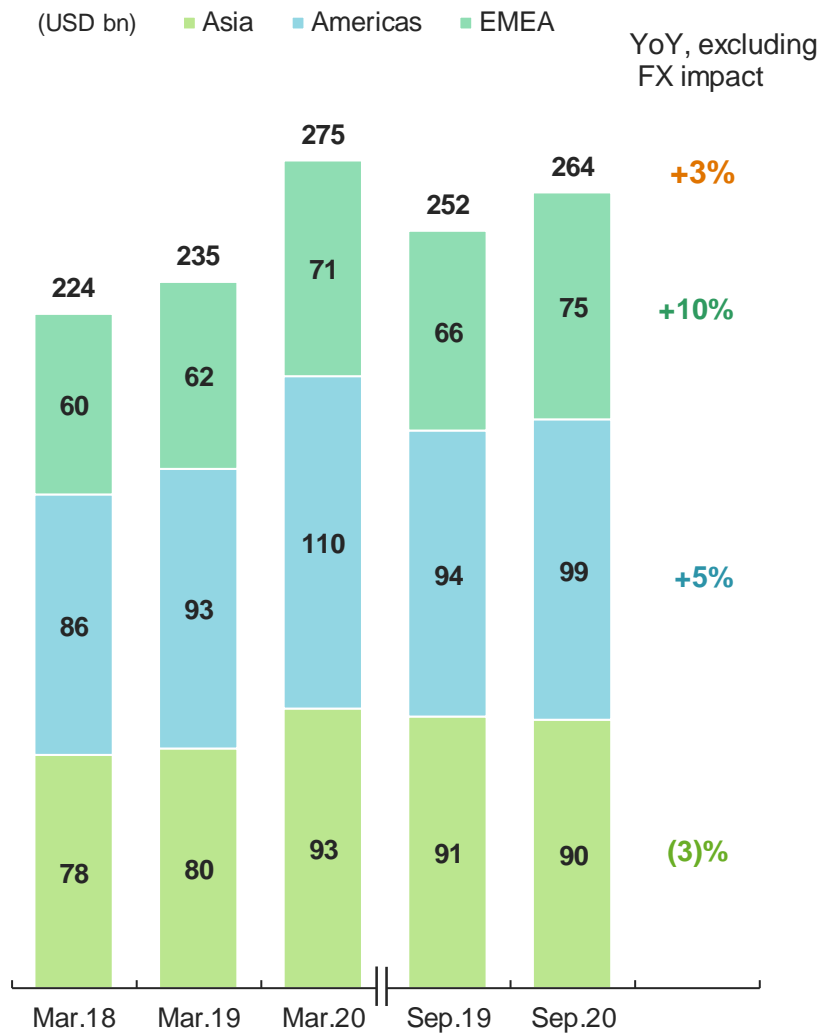
*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average, excluding loans to the Japanese government.

Figures for SMEs are the outstanding balance of Corporate banking division

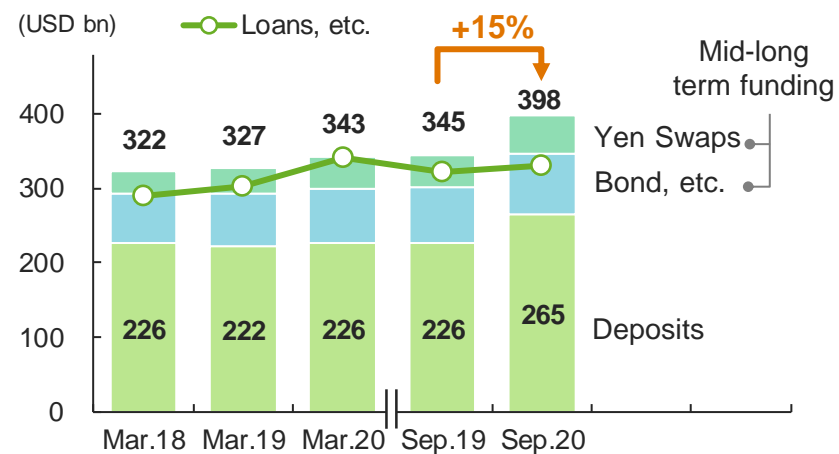
*4 Loan spread of existing loans, excluding loans to the Japanese government

Overseas loans and deposits*1

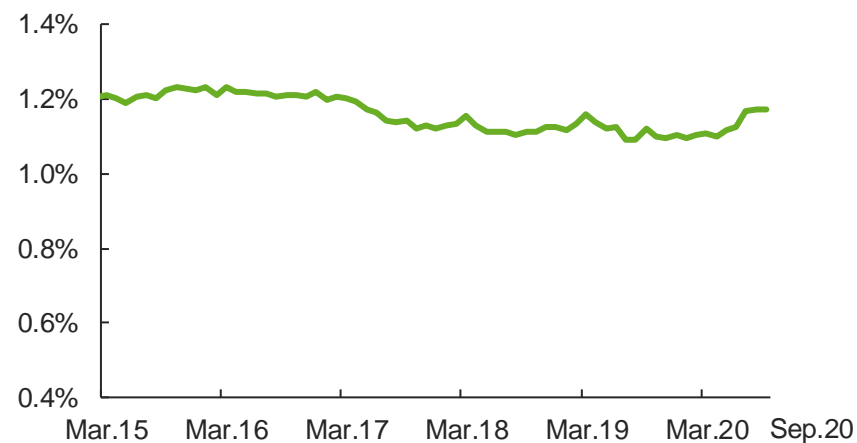
Loan balance



Foreign currency balance



Loan spread*2



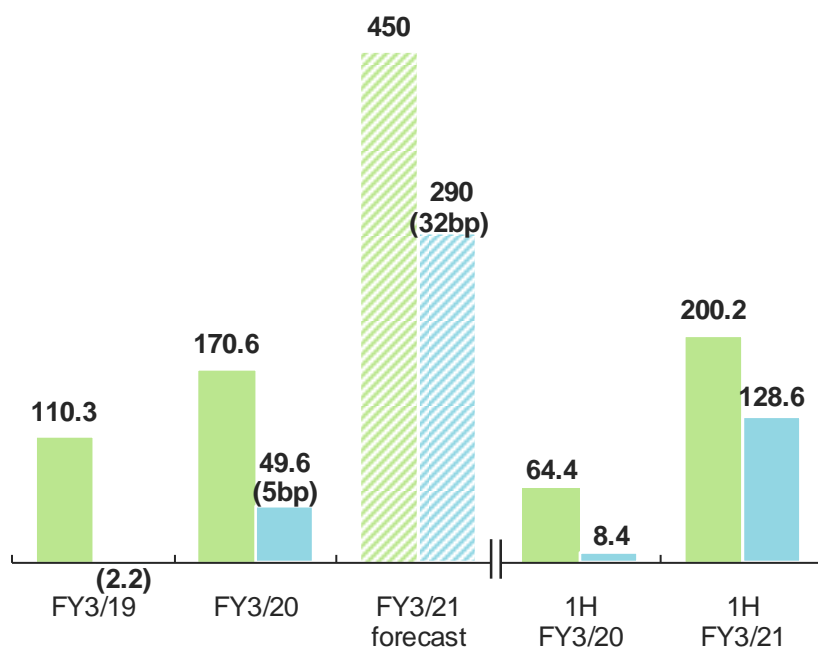
*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

*2 Monthly average loan spread of existing loans

Asset quality

Credit costs^{*1}

(JPY bn) Consolidated Non-consolidated

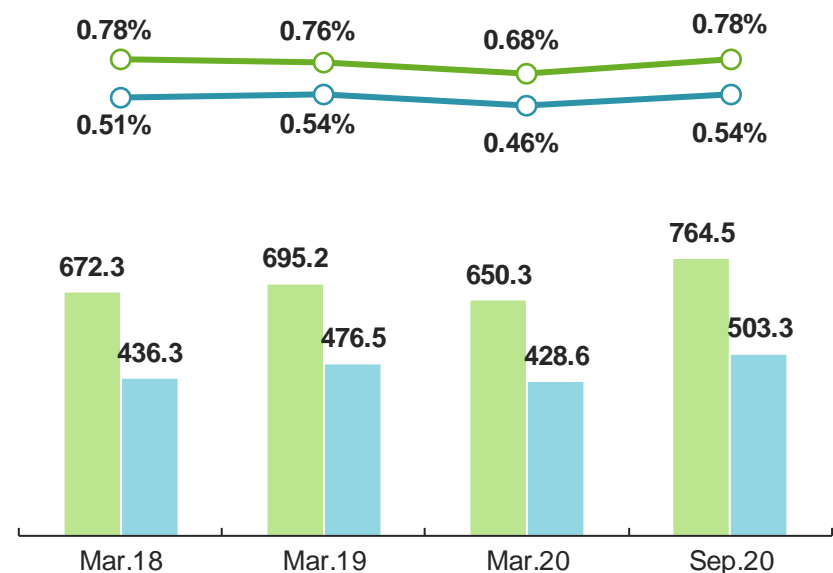


Major group companies

(JPY bn)	1H FY3/21	YoY
SMBCCF	27	(7)
SMCC	11	(4)

Non-performing loan balance^{*2}

(JPY bn) Consolidated Non-consolidated



Total claims

(JPY tn)

Consolidated	91	96	98
Non-consolidated	89	93	94

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

Non-consolidated	0.8	0.9	1.7
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*1 Total credit cost ratio = Total credit cost / Total claims

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

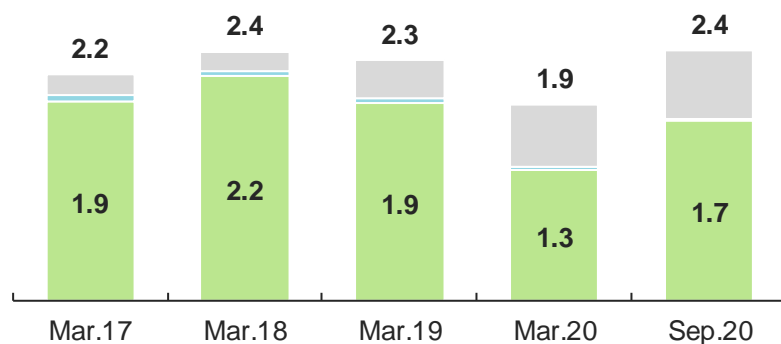
Securities (1)

Breakdown of other securities (consolidated)

	B/S amount		Unrealized gains (losses)	
	Sep.20	vs Mar.20	Sep.20	vs Mar.20
(JPY bn)				
Total	29,063.3	+2,414.1	2,425.4	+533.1
Stocks (domestic)	3,182.2	+445.4	1,742.0	+472.4
Bonds (domestic)	13,447.9	+3,380.5	23.6	+2.1
o/w JGBs	10,289.3	+3,201.4	(4.7)	+2.4
Others	12,433.2	(1,411.8)	659.8	+58.6
o/w Foreign bonds	10,191.9	(1,457.7)	169.4	(86.3)

Unrealized gains

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

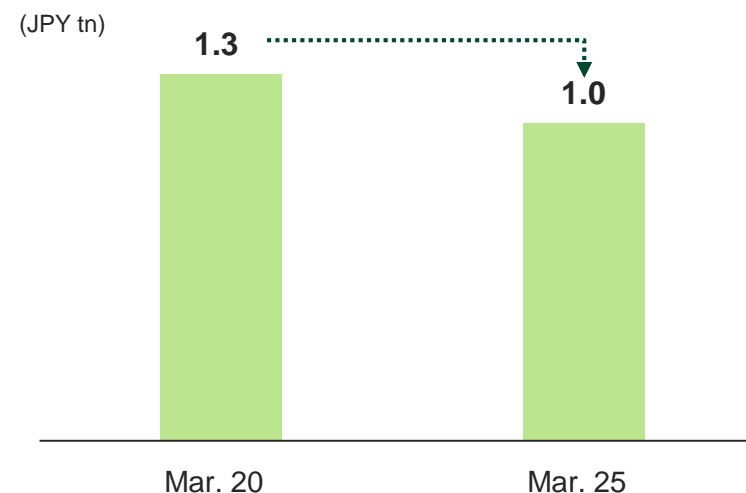


Strategic shareholdings

Progress as of Sep.20	Reduction	JPY 31 bn
	Consent of sales from clients	JPY 45 bn
	Total	JPY 76 bn

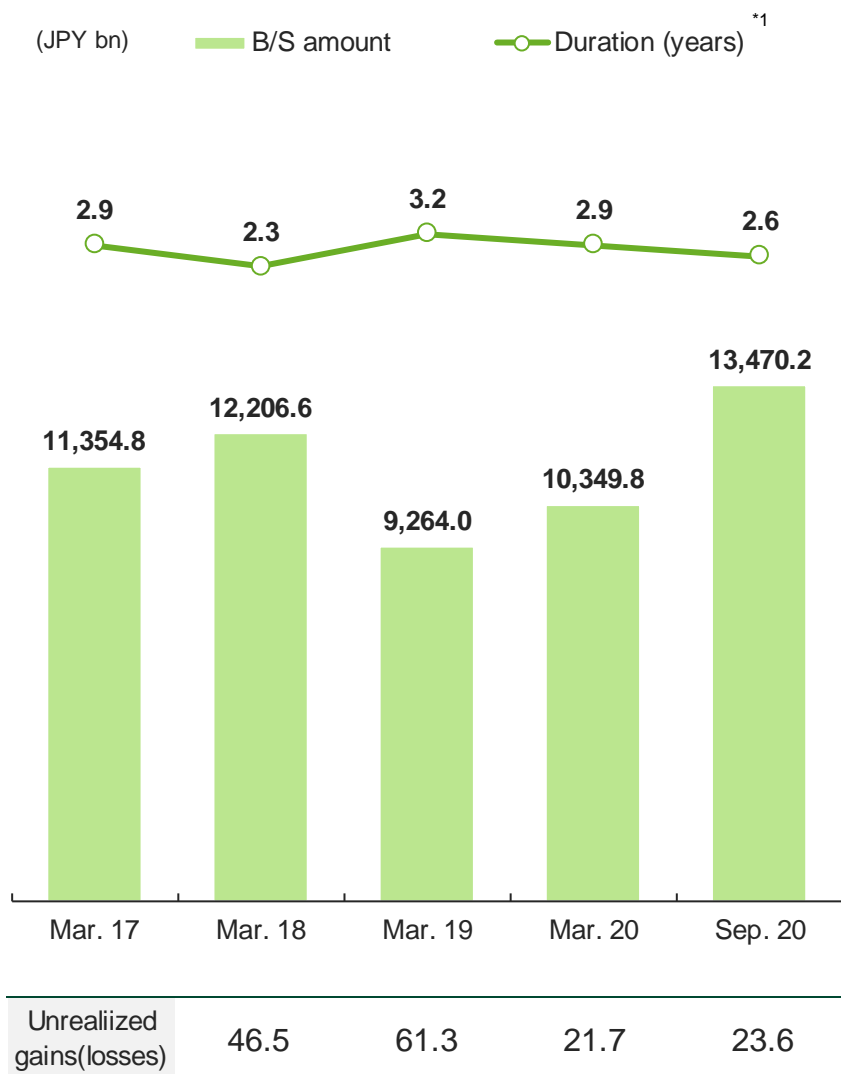
Reduction plan

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

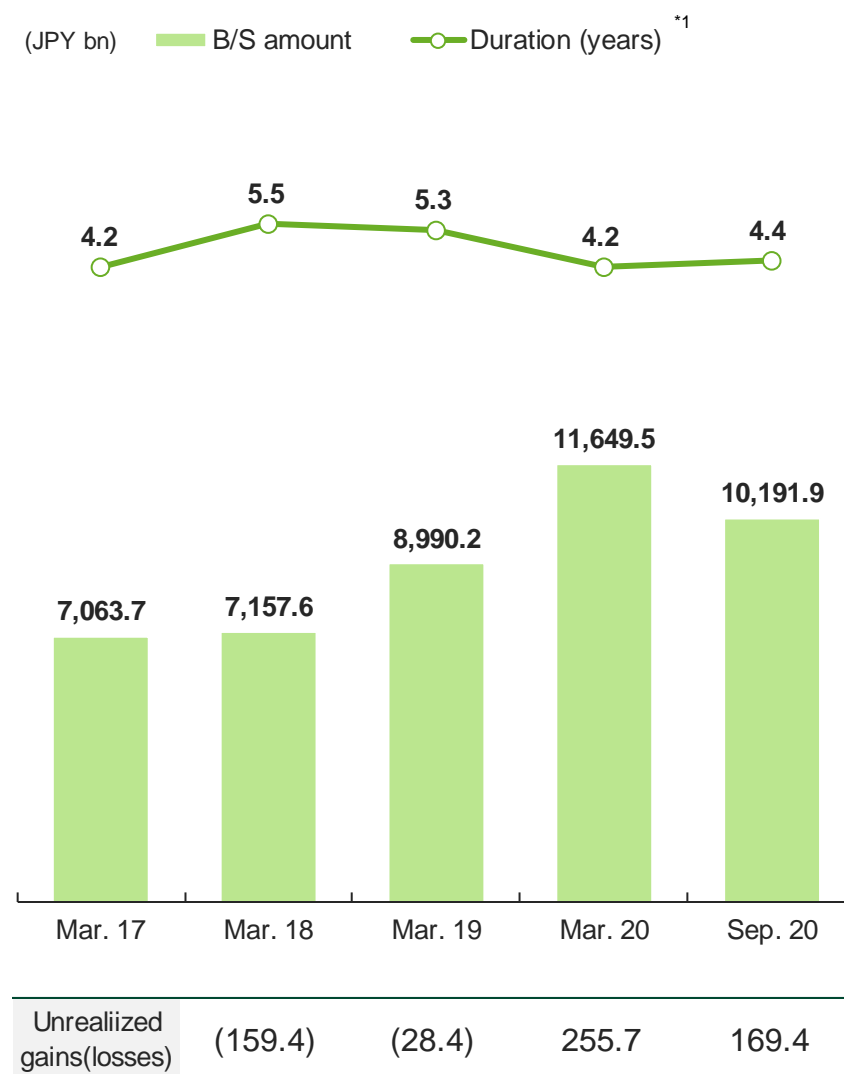


Securities (2)

Yen-denominated bonds (consolidated)



Foreign bonds (consolidated)



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

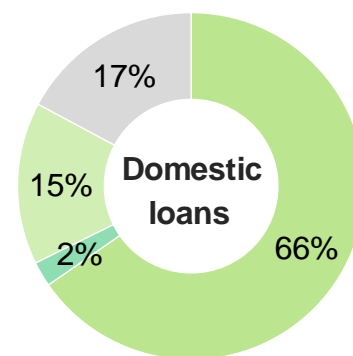
Balance sheet

Consolidated

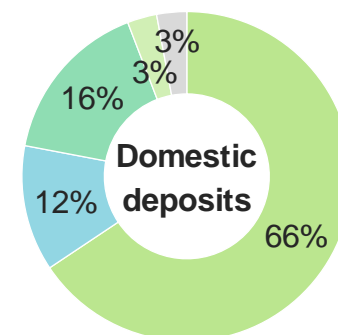
	(JPY tn)	Sep. 20	vs Mar. 20
Total assets		225.8	+5.9
o/w Cash and due from banks		68.5	+6.7
o/w BOJ's current account balance ^{*1}		56.6	+7.9
o/w Loans		84.5	+2.0
o/w Domestic loans ^{*1}		57.3	+2.7
o/w Large corporations ^{*2}		19.5	+3.0
うち Mid-sized corporations & SMEs ^{*2}		18.7	+0.1
うち Individuals ^{*2}		12.3	(0.2)
o/w Securities		29.2	+2.1
o/w Other securities		29.1	+2.4
o/w Stocks		3.2	+0.4
うち JGBs		10.3	+3.2
うち Foreign bonds		10.2	(1.5)
Total liabilities		214.5	+5.4
o/w Deposits		137.9	+10.9
o/w Domestic deposits ^{*1}		109.2	+7.0
Individuals		51.7	+2.6
Corporates		57.5	+4.4
o/w NCD		10.2	+0.1
Total net assets		11.3	+0.5
Loan to deposit ratio		57.0%	

^{*3}

Composition of loans and deposits^{*2}

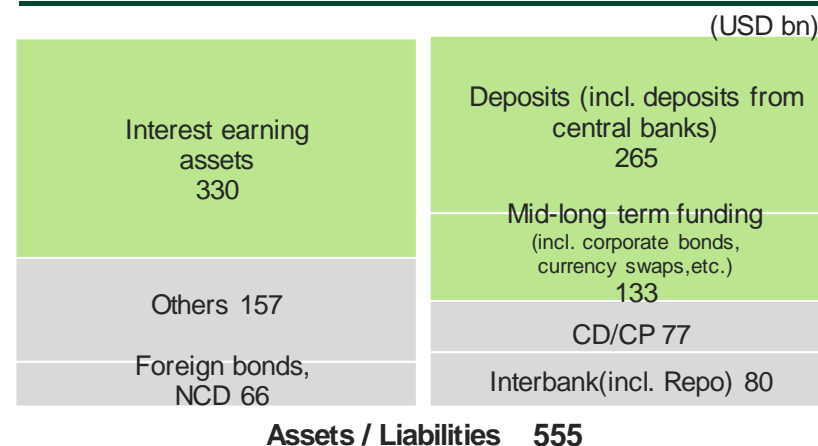


- Spread-based
- Prime-rate-based
- Mortgage, etc.
- Others



- Ordinary
- Current
- Time
- Foreign currency
- Others (Sundry, etc.)

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



^{*1} Non-consolidated ^{*2} Managerial accounting basis ^{*3} After adding back the portion of housing loans securitized in 1H FY3/21 of JPY50.9bn ^{*4} Sum of SMBC and major local subsidiaries

Capital / RWA

	Sep. 20	Requirement*1
Capital ratio		
Total capital ratio	19.28%	11.5%
CET1 ratio (Basel III fully-loaded basis)	16.02%	8%
excl. OCI	13.2%	-
CET1 ratio (Post-Basel III reforms)	11.3%	8%
excl. OCI	9.7%	-
External TLAC ratio		
RWA basis	26.72%	16%
Leverage exposure basis	10.25%	6%
Leverage ratio	5.85%	3%
LCR (Average 2Q FY3/21)	136.0%	100%

	(JPY bn)	Mar. 20	Sep. 20
Total capital		11,552.0	12,028.0
Tier1 capital		10,249.9	10,763.8
o/w CET1 capital		9,581.3	9,994.2
Tier2 capital		1,302.1	1,264.2
External TLAC		18,162.0	18,868.2
Risk-weighted assets		61,599.1	62,379.2
Leverage exposure		237,488.7	183,938.7

*1 Excludes countercyclical buffer

Financial targets by business unit (1)

	ROCE1*1			Net Business Profit (JPY bn)			RWA (JPY tn)		
	1H 3/21	YoY*2	FY3/23 Target*3	1H 3/21	YoY*2	FY3/23 Target*3	1H 3/21	YoY*2	FY3/21-22*3
Retail	9.6%	+0.4%	12%	106.6	(7.3)	305.0	12.1	(0.7)	+0.4
Wholesale	3.7%	(7.3)%	9%	160.4	(9.0)	405.0	32.9	+3.4	+1.1
Global	5.9%	(2.9)%	9%	174.6	+4.1	430.0	33.9	+1.4	+2.5
Global Markets	24.0%	+2.7%	17%	234.8	+11.6	365.0	4.6	(0.7)	+1.7

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

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

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

Financial targets by business unit (2)

Retail

	(JPY bn)	1H FY3/21	YoY ^{*1}
Gross profit		548.7	(23.4)
Income on loans and deposits ^{*2}		62.0	(4.8)
Wealth management business		129.7	+8.5
Payment business		188.4	(21.5)
Consumer finance business		147.9	(6.0)
Expenses		443.3	(15.8)
Base expenses		365.1	(5.4)
Net business profit		106.6	(7.3)
ROCET1 ^{*3}		9.6%	+0.4%
RWA (JPY tn)		12.1	(0.7)

Wholesale

	(JPY bn)	1H FY3/21	YoY ^{*1}
Gross profit		282.5	(14.5)
Income on loans and deposits		104.5	+7.2
FX and money transfer fees		57.3	(4.4)
SMBC Loan syndication		21.5	+6.1
Structured finance		4.3	(9.4)
Real estate finance		3.2	(1.5)
Securities business		24.0	(3.7)
Expenses		146.6	(2.8)
Base expenses		146.0	(3.4)
Net business profit		160.4	(9.0)
ROCET1 ^{*4}		3.7%	(7.3)%
RWA (JPY tn)		32.9	+3.4

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

*3 Excludes impact from the provision for losses on interest repayments *4 Excludes med-long-term funding costs

Financial targets by business unit (3)

■ Global

	(JPY bn)	1H FY3/21	YoY*1
Gross profit		343.4	+19.8
Income on loans and deposits		141.0	+5.7
Loan related fees		60.9	+8.3
Securities business		41.3	+14.5
Expenses		177.7	(0.8)
Base expenses		173.5	(3.0)
Net business profit		174.6	+4.1
ROCET1*2		5.9%	(2.9)%
RWA (JPY tn)		33.9	+1.4

■ Global Markets

	(JPY bn)	1H FY3/21	YoY*1
Gross profit		257.9	+10.7
SMBC's Treasury Unit		194.0	(0.4)
Expenses		40.2	+0.9
Base expenses		39.1	+0.6
Net business profit		234.8	+11.6
ROCET1*3		24.0%	+2.7%
RWA (JPY tn)		4.6	(0.7)

*1 After adjustments of the changes of interest rates and exchange rates *2 Excludes med-long-term funding costs

*3 Includes interest-rate risk associated to banking account for global markets



II. Transformation & Growth

Progress of the Medium-Term Management Plan

Medium-Term Management Plan (FY3/21-3/23)

Core policy

Transformation

Transform existing businesses

Growth

Seek new growth opportunities

Quality

Elevate quality in all aspects

Financial targets

ROCET1

7.0%



1H
FY3/21

≥8.5%



FY3/22
target

Base expenses^{*1}

JPY 760 bn



1H
FY3/20

JPY 740 bn



1H
FY3/21

< FY3/20
JPY 1,530 bn

FY3/22
target

CET1 ratio^{*2}

9.7%



Sep.20

c.10%



c.9.5%
under COVID-19

Mar.23
target

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

^{*2} Post-Basel III reforms basis, excludes OCI

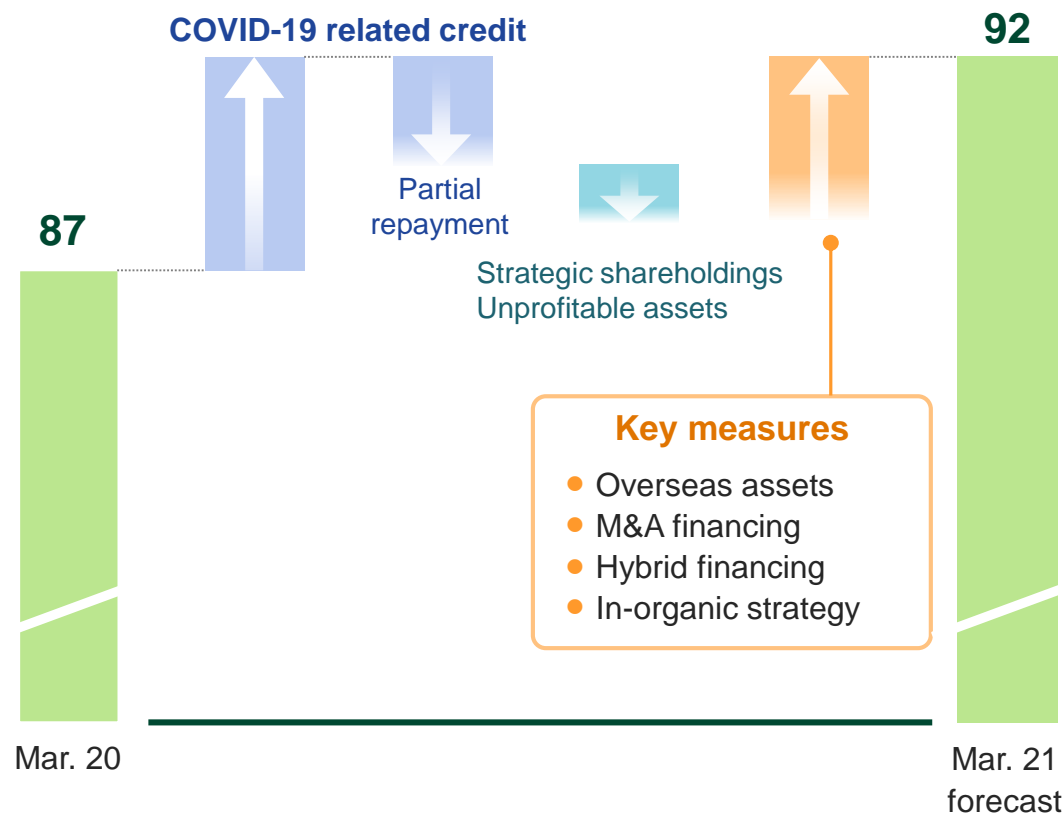
Progress of the Medium-Term Management Plan

(1) Use of capital

Increase top-line revenues and pursue future growth by allocating capital to key measures.

RWA

(JPY tn)



In-organic strategy

Sell-out

Fully sell down shares of Kansai regional banks

FY3/20-3/21

Acquisition

Assets that promptly raise ROCET1

AM	AIM	Oct. 20
	Alternative Investment Capital	Nov. 20

Investments for the future

Digital	OakNorth	Oct. 20
Securities	SBI Neo Mobile / Money Plaza	FY3/21

Progress of the Medium-Term Management Plan

(2) Solution provider

Provide solutions for various issues or needs of our clients following the changes of market conditions.

Strengthen solutions in wholesale business

Business restructuring and revitalization

Business restructuring

- Dissolution of parent-subsidary listings
- Industry consolidation

Capital financing

Hybrid financing, etc.

Corporate revitalization (Equity)

Established Business revitalization subsidiary



SMBC CAPITAL PARTNERS

HR solution

Matching seconded needs

Surplus of manpower



Leisure, foods



Medical, IT

Shortage of manpower

Recruitment consulting



SMBC HUMAN CAREER

Established in Apr.20

Enhance overseas CIB business

One-stop solution through bank-securities collaboration

Cross-border M&A finance

Mandated as financial advisor for a large notable transaction

Project finance

Mandated as lead arranger for both loan and bond facilities for a U.S. gas pipeline transaction

Promote cross-selling

DCM

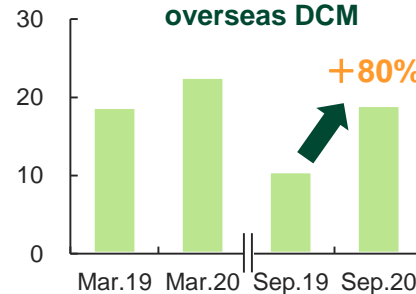
Cross-sold to COVID-19 financing clients

Derivatives

Bond issuance and loan related transactions

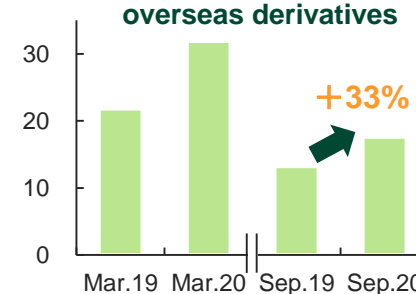
(JPY bn)

Profit from overseas DCM



(JPY bn)

Profit from overseas derivatives

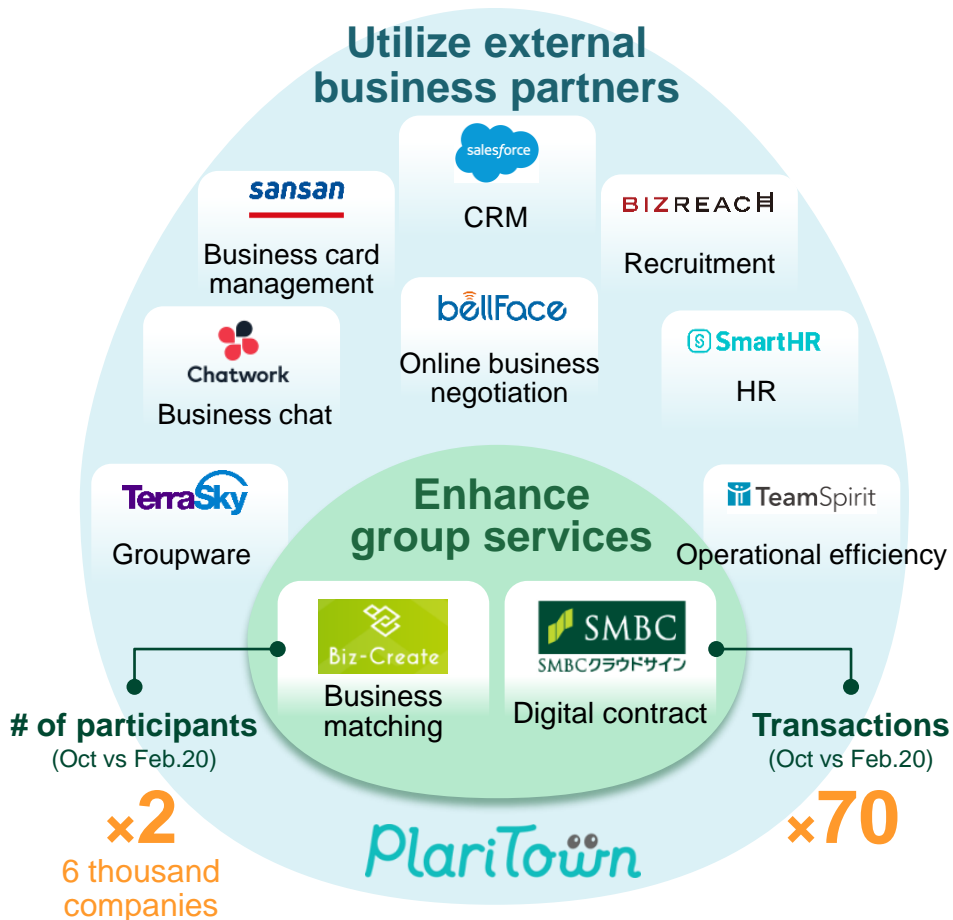


Progress of the Medium-Term Management Plan

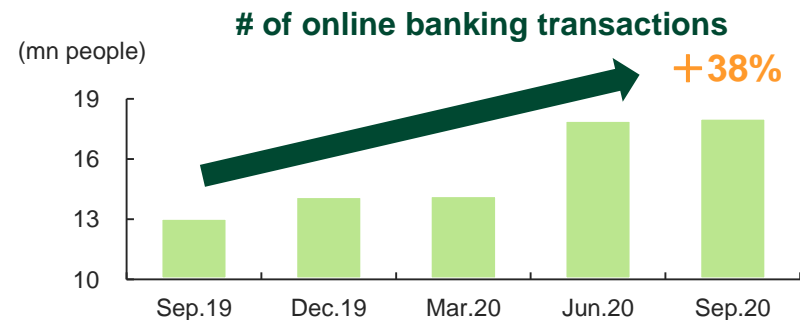
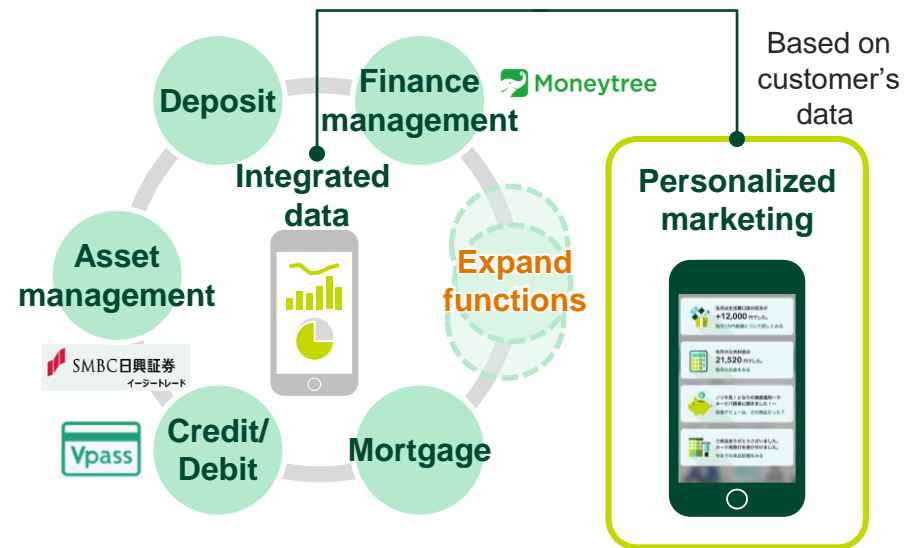
(3) Building platforms

Build platforms and attract customers by taking advantage of growing digital and online needs

Support digitalization of SMEs



SMBC app platform for retail customers



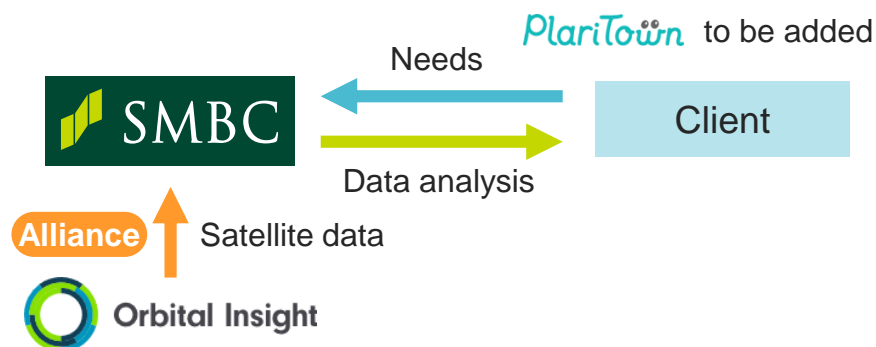
Progress of the Medium-Term Management Plan

(4) Data oriented

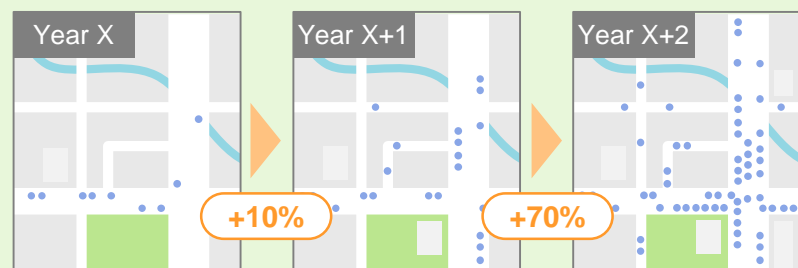
Establish new businesses by utilizing advanced technology and collaborating with external partners.

AI related services

Satellite data analysis service “geomiyell”



Example: Analysis of vehicle volume

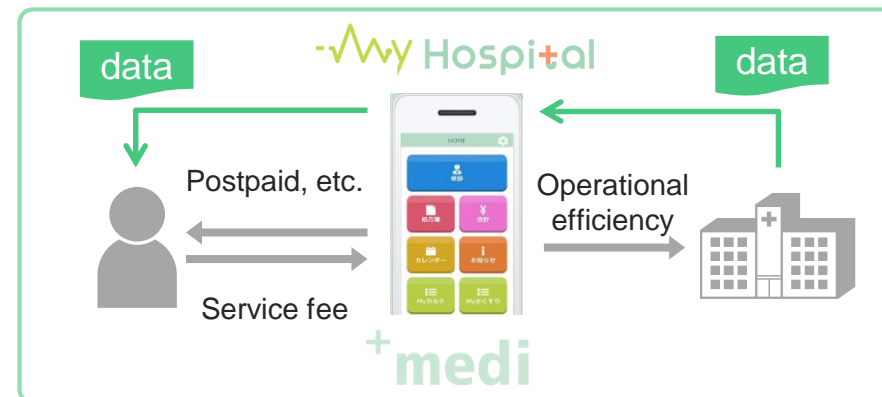


Use for store opening planning and sales analysis

Personal data trust bank

Phase 1 Demonstration test with a university hospital

Phase 2 Acquire and consolidate plus-medi corp.



Data management knowledge



Medical clients

Phase 3

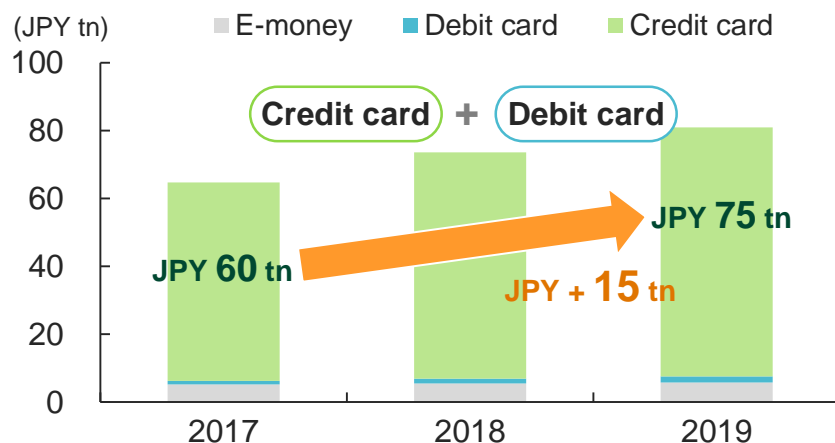
Create an Eco-system

Progress of the Medium-Term Management Plan

(5) Cashless / Digital

Cashless payment strategy

Credit card leads cashless payment in Japan*1



Next-generation payment platform

stera

Introduced in various industries



Promote a shift to online and cashless

Transaction at branch



New

Account fee

Internet/smart-phone



Paper passbook



New

Paper passbook fee

Web passbook



Data of 30 years

Cash



Revised

Currency exchange fee
ATM fee at convenience stores

Cashless



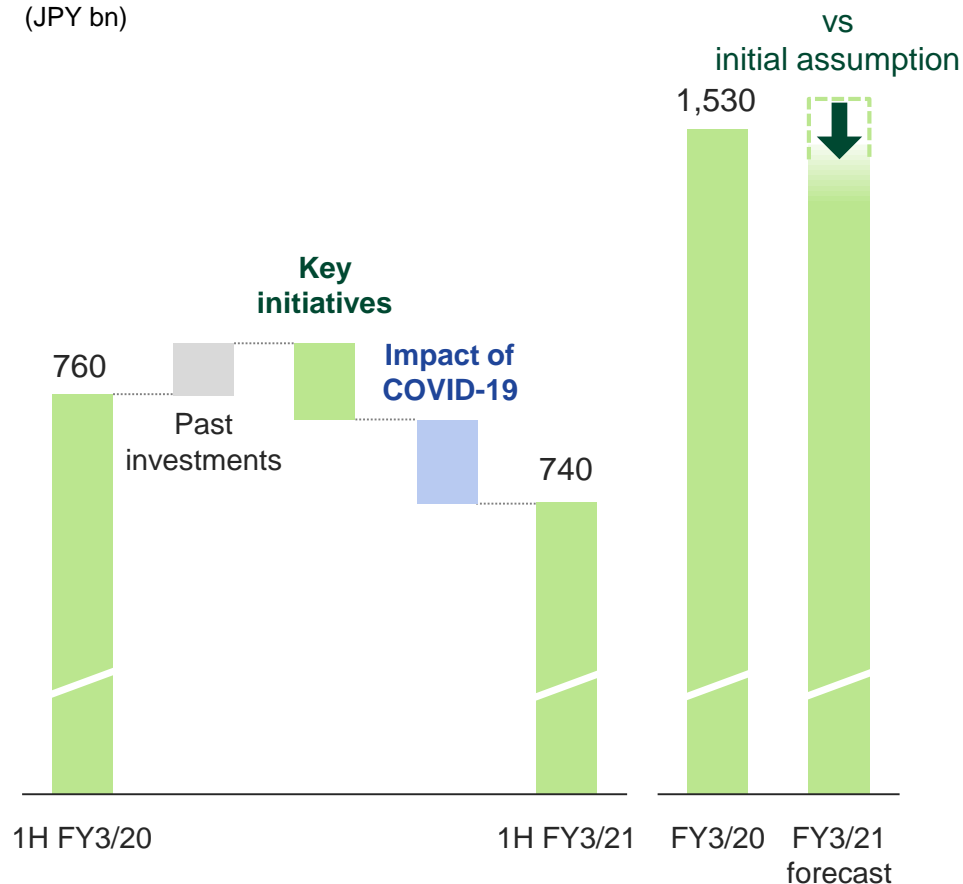
Progress of the Medium-Term Management Plan

(6) Cost / IT investment

Base expenses decreased YoY by controlling operating cost under COVID-19 and executing key initiatives. Accelerate digital transformation by utilizing CEO budget in IT investment.

Base expenses^{*1}

(JPY bn)

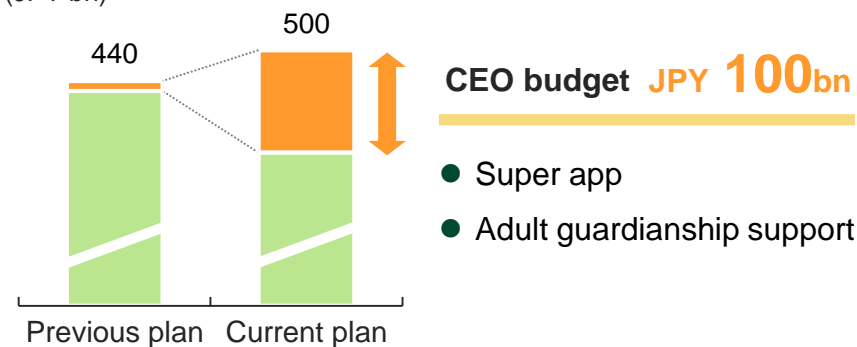


Key initiatives of cost reduction

	Target (JPY bn)
Reform of domestic businesses	50
Retail branch reorganization	25
Integration of group operations	25
	100

IT investment

(JPY bn)



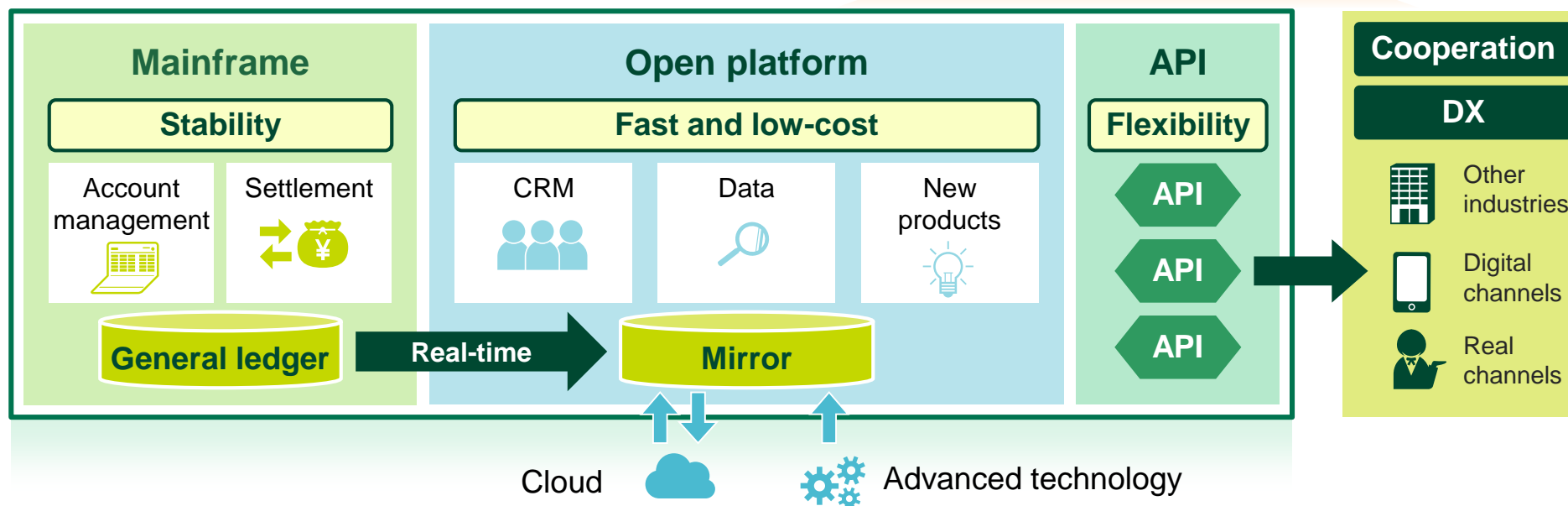
*1 G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others

Development of next-generation core banking system

Started development of next-generation core banking system that supports digital transformation.

1994	2002	2021-25
4th online development <ul style="list-style-type: none"> • 24-hour online system • Compartmentalization 	System integration <ul style="list-style-type: none"> • Between former Sakura and Sumitomo bank 	Next-generation core banking system <div>JPY 50 bn</div> <ul style="list-style-type: none"> • Non-stop online service • 24-hour global settlement • CRM system on a group basis • Real time analysis

Renewal to a stable and flexible architecture that can respond quickly to environmental changes





III. Quality

ESG (1) Promoting sustainable business

Green finance

KPI

JPY 10 tn by 2030

Green loans

- League table in 1H FY3/21 (Green Loans) *1

Asia
#1 (USD 1,083 mn)

- Received the highest rating from an external assessment institution on our first SDGs green loan

ESG Finance Award

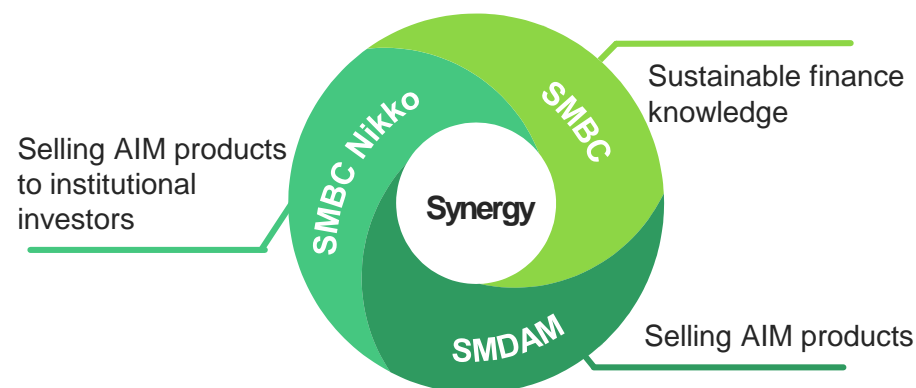
- SMBC Nikko received a silver prize of ESG Finance Award for supporting green bond issuance



Investment to ESG fund



- Specialized in impact investment
- AuM USD 650 mn



GREENxGLOBE Partners

- Established in July 2020 with 20 supporting companies
- Held a seminar at an online event where 16K companies joined



*1 Source: Dealogic

ESG (2) Response to climate change impact

TCFD Report

- Issued first TCFD Report (Aug. 20)



SMBC Group 2020 TCFD Report

The SMBC Group's Climate Change Initiatives

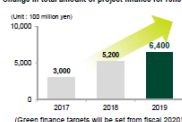
August 2020

Figure 5-1> Top five banks in project finance for renewable energy

	2017	2018	2019
1	Santander	SMBC	Santander
2	MUFG	MUFG	SMBC
3	SMBC	Santander	Credit Agricole
4	Societe Generale	Societe Generale	Natixis
5	NordLB	Groupo BPCE	MUFG

(Source: Based on ICD's online data)

Figure 5-2> Change in total amount of project finance for renewable energy



(Green finance targets will be set from fiscal 2020)

(7) Reduction of CO₂ emissions

SMBC Group's CO₂ emissions in FY2019 fell to 159,758 tons (Scope 1: 13,505 tons, Scope 2: 125,485 tons, Scope 3: 20,768 tons), a reduction of 15,967 tons from FY2018. We will continue our efforts to reduce emissions while implementing energy-saving measures that lead to energy conservation.

*Figure 5-3> Change in group-wide CO₂ emissions

(Unit: t-CO₂)

CO ₂ measurement items	FY2017	FY2018	FY2019
Scope 1 (direct emissions)	17,120	14,703	13,505
Scope 2 (indirect emissions)	167,426	141,424	125,485
Scope 3 (business trips)	15,944	19,628	20,768
Total	200,490	175,755	159,758

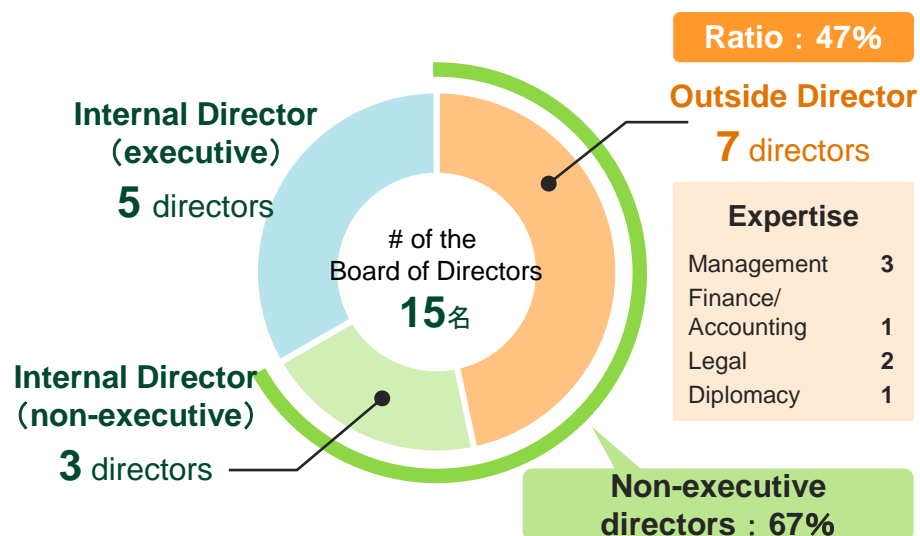
26

Upgrade initiatives

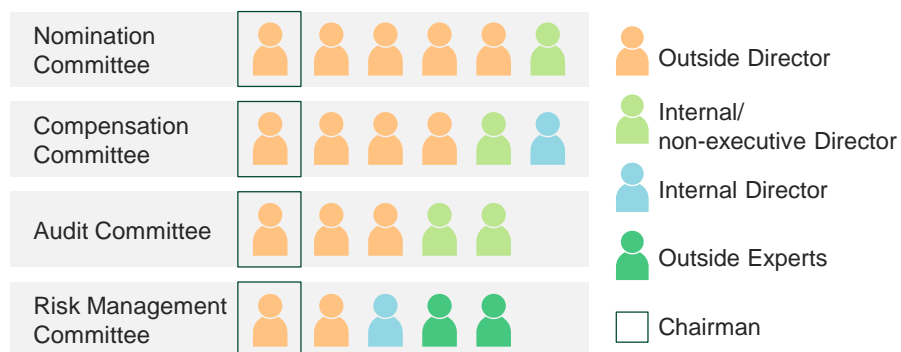
Item	Status of Initiatives
Governance 	<ul style="list-style-type: none"> Established the Group Environmental Policy Included climate change in management strategies through the Corporate Sustainability Committee
Strategy 	<ul style="list-style-type: none"> Conducted scenario analysis regarding physical risks and transition risks Taking a proactive approach towards green finance
Risk Management 	<ul style="list-style-type: none"> Defined climate-related risk as Top Risks Disclosed policies on sectors with high climate change impacts
Metrics and Targets 	<ul style="list-style-type: none"> Loan outstanding of coal-fired thermal power generation to be reduced to zero by FY2040 CO₂ emissions volumes of SMBC to be reduced by 30% from FY2018 by FY2029

ESG (3) Governance

Board of Directors



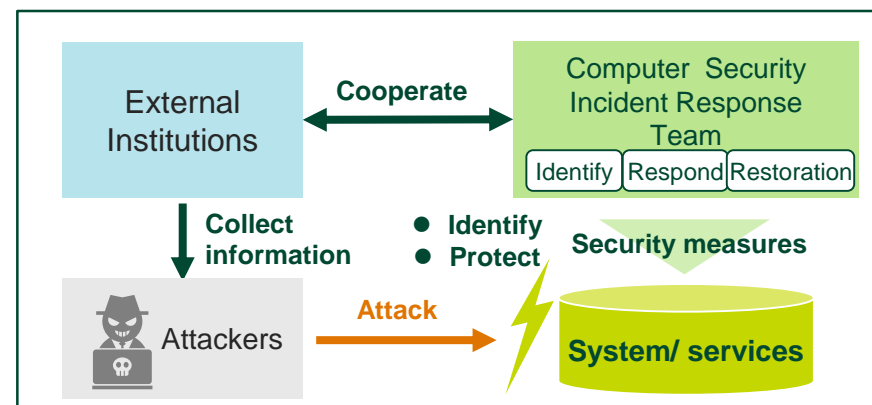
Internal Committee



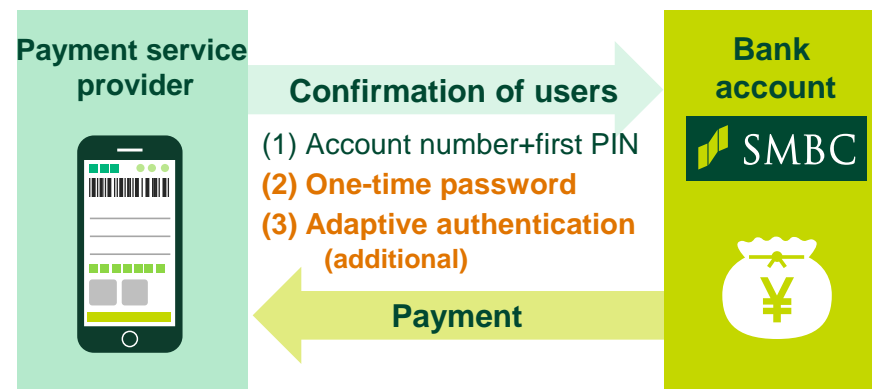
IT security governance

Cyber risk as one of our Top Risks

Declaration of Cyber Security Management



Strengthen security for cashless payment services



Acceleration of sustainability management

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

Establish sustainability management

Oct.18

Corporate Sustainability Committee

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

Apr.20

Group Mission

Customers Shareholders
Employees Add Society

Statement on Sustainability

SMBC Group “GREEN x GLOBE 2030”

“Create the future of the earth and humanity with our customers”

Planning

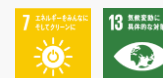
KPIs

SDGs

Materiality

Environment

- ▶ Green Finance
- ▶ Green Bonds Issuance



Next Generation

Community

- ▶ Finance education
- ▶ Retail deposits in Asia



Human Resources

Governance

- ▶ Female managers
- ▶ Childcare leave



Engagement with stakeholders

Customers

Shareholders

Employees

Society

(Ref.) ESG indices and initiatives

Selected ESG indices

GPIF selected



FTSE Blossom
Japan

2020 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX



2020 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



FTSE4Good

2020 MSCI ESG Leaders
Indexes Constituent

2020



Sompo Sustainability Index



Endorsed initiatives

WE SUPPORT



TCFD TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

Signatory of:

PRI Principles for
Responsible
Investment



UNEP
FINANCE
INITIATIVE

PRINCIPLES FOR
RESPONSIBLE
BANKING

**EQUATOR
PRINCIPLES**

We
support

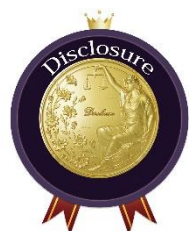


www.wepinciples.org

CDP
DISCLOSURE INSIGHT ACTION

PFA21
Principles for Financial
Action for the 21st Century

(Ref.) External awards



2020 Award for Excellence
in Corporate Disclosure

— Industries —



The Securities Analysts
Association of Japan



2020 Award for Excellence
in Corporate Disclosure

— Disclosure to Individual Investors —



The Securities Analysts
Association of Japan



2020
ESG
FINANCE
AWARDS
JAPAN
BRONZE

(SMBC)



2020
ESG
FINANCE
AWARDS
JAPAN
SILVER

(SMBC Nikko)



2020
健康経営優良法人
Health and productivity

NIKKEI
Smart Work

★★★★★ 2021

work with Pride

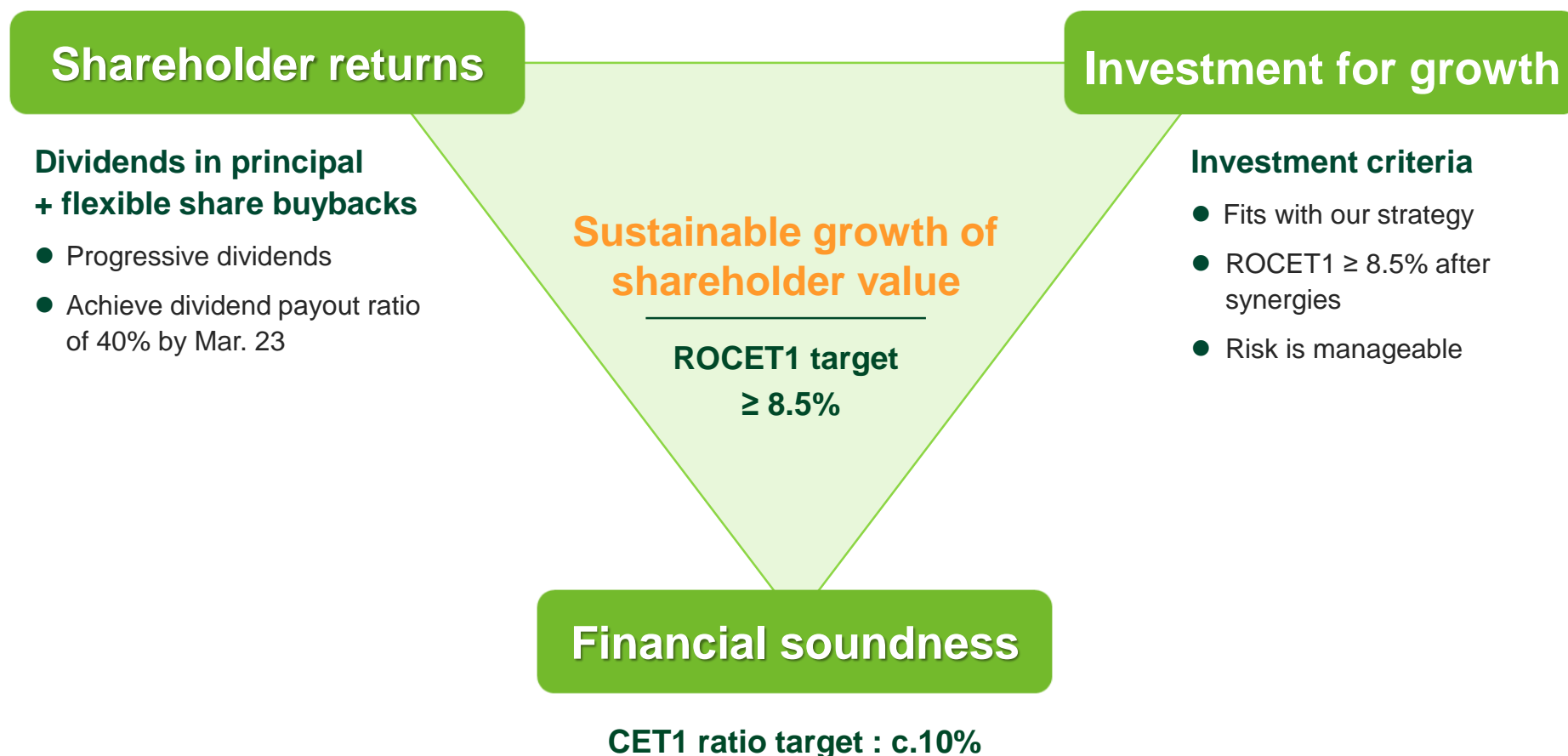




IV. Capital Policy

Basic Capital Policy

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

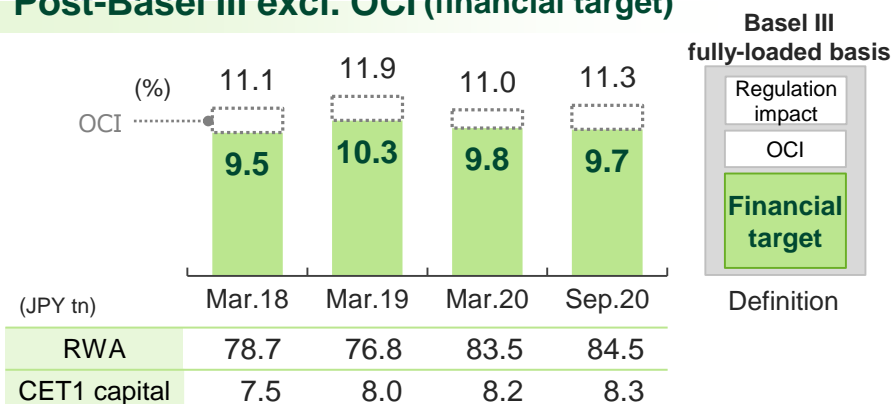


Capital position

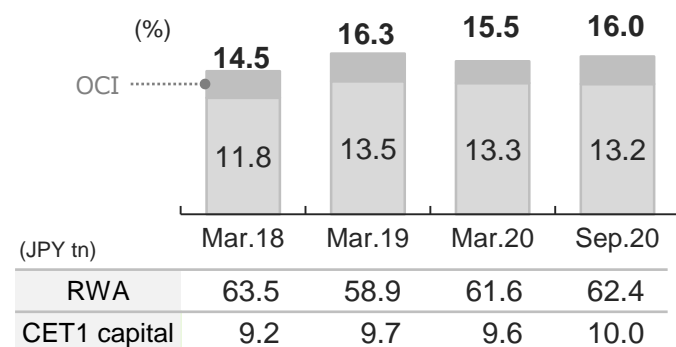
Continue to manage CET1 ratio at c.9.5% while we prioritize supporting customers impacted by COVID-19

CET1 ratio

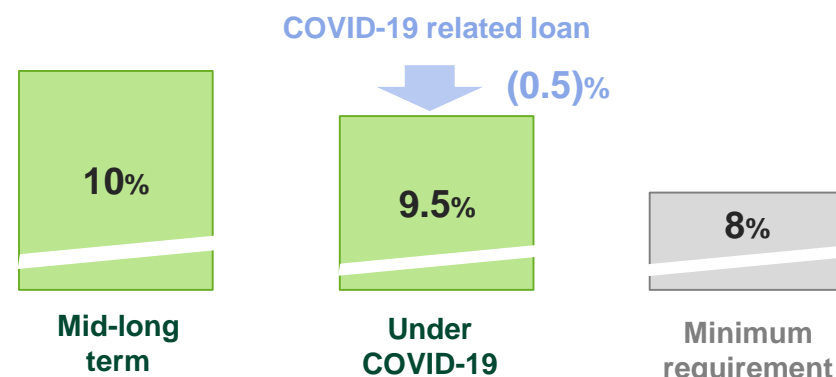
Post-Basel III excl. OCI (financial target)



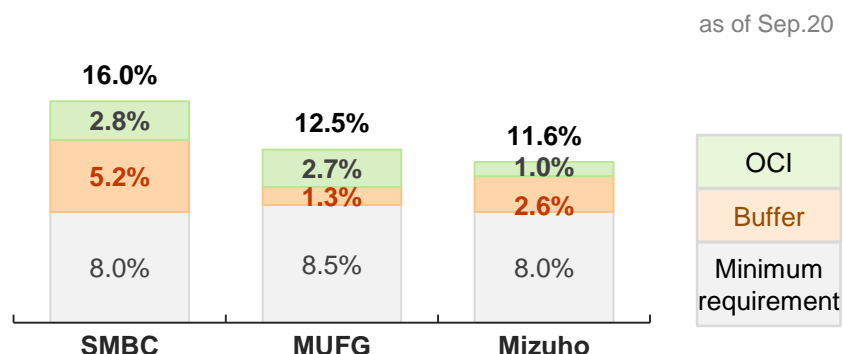
Basel III fully-loaded basis



Capital Management (post-Basel III exc. OCI)



Peer comparison (Basel III fully-loaded basis)



Shareholder returns

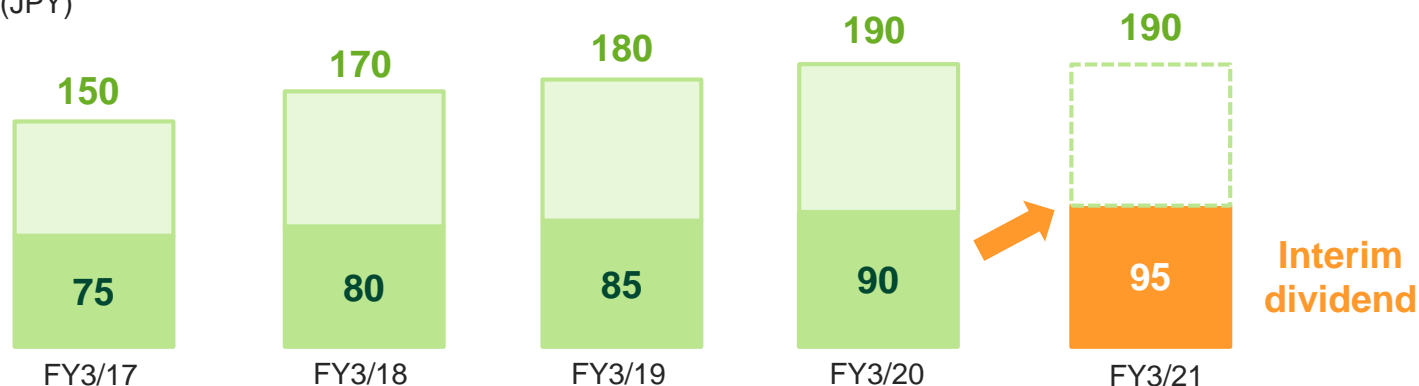
Based on the progressive dividend policy, interim dividend of JPY 95 will be paid as announced in May. No share buybacks since it will take more time to assess the impact of COVID-19 and also to allocate capital to top-line growth.

	FY3/20	FY3/21 target	YoY
DPS	190	190	±0
Dividend payout ratio	37%	65%	+28%
Share buybacks	May 19 100 bn	—	—
Total payout ratio	51%	—	—
Net income	703.9 bn	400 bn	(303.9) bn

Interim dividend
JPY 95

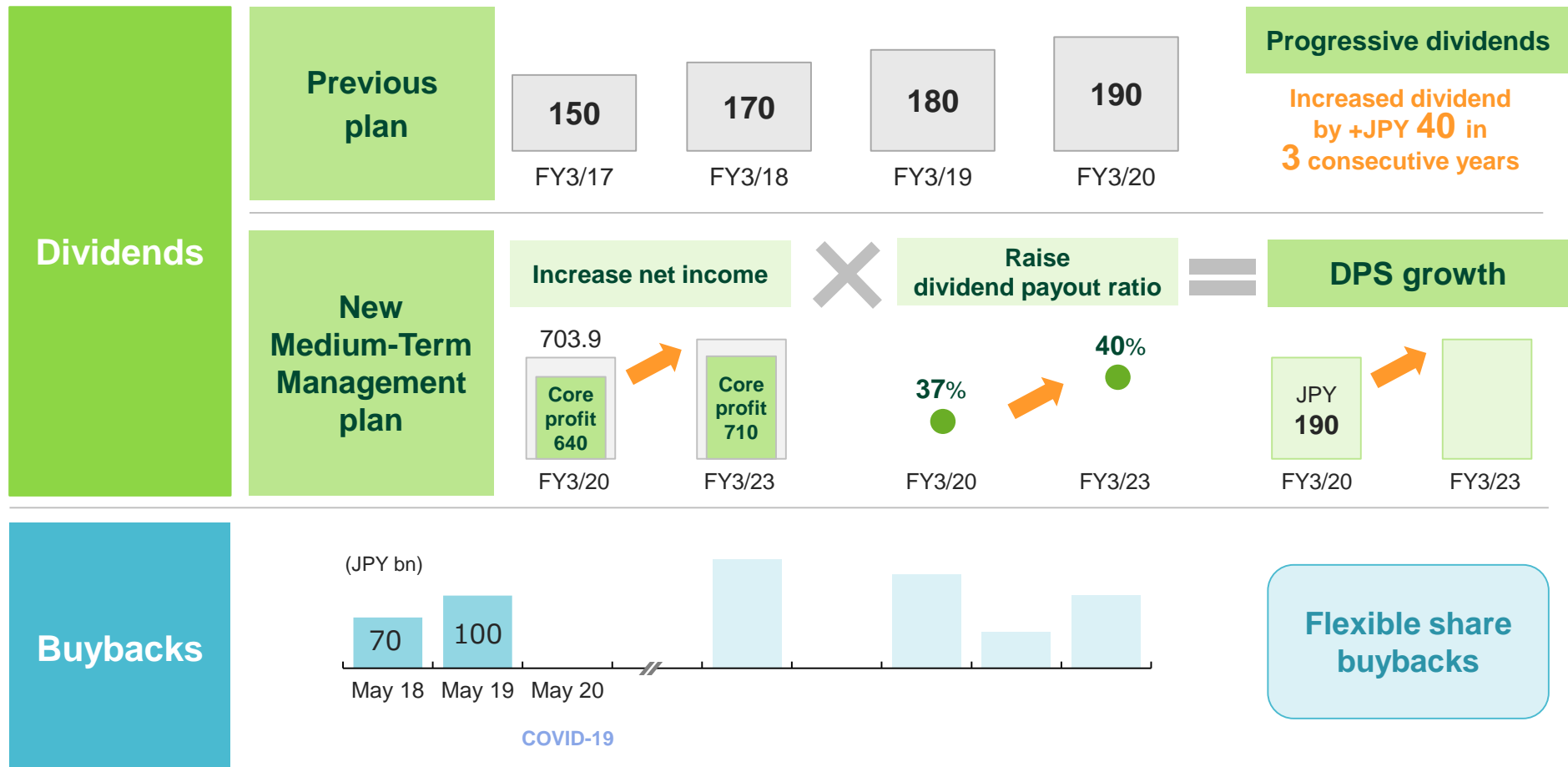
Dividend per share

(JPY)

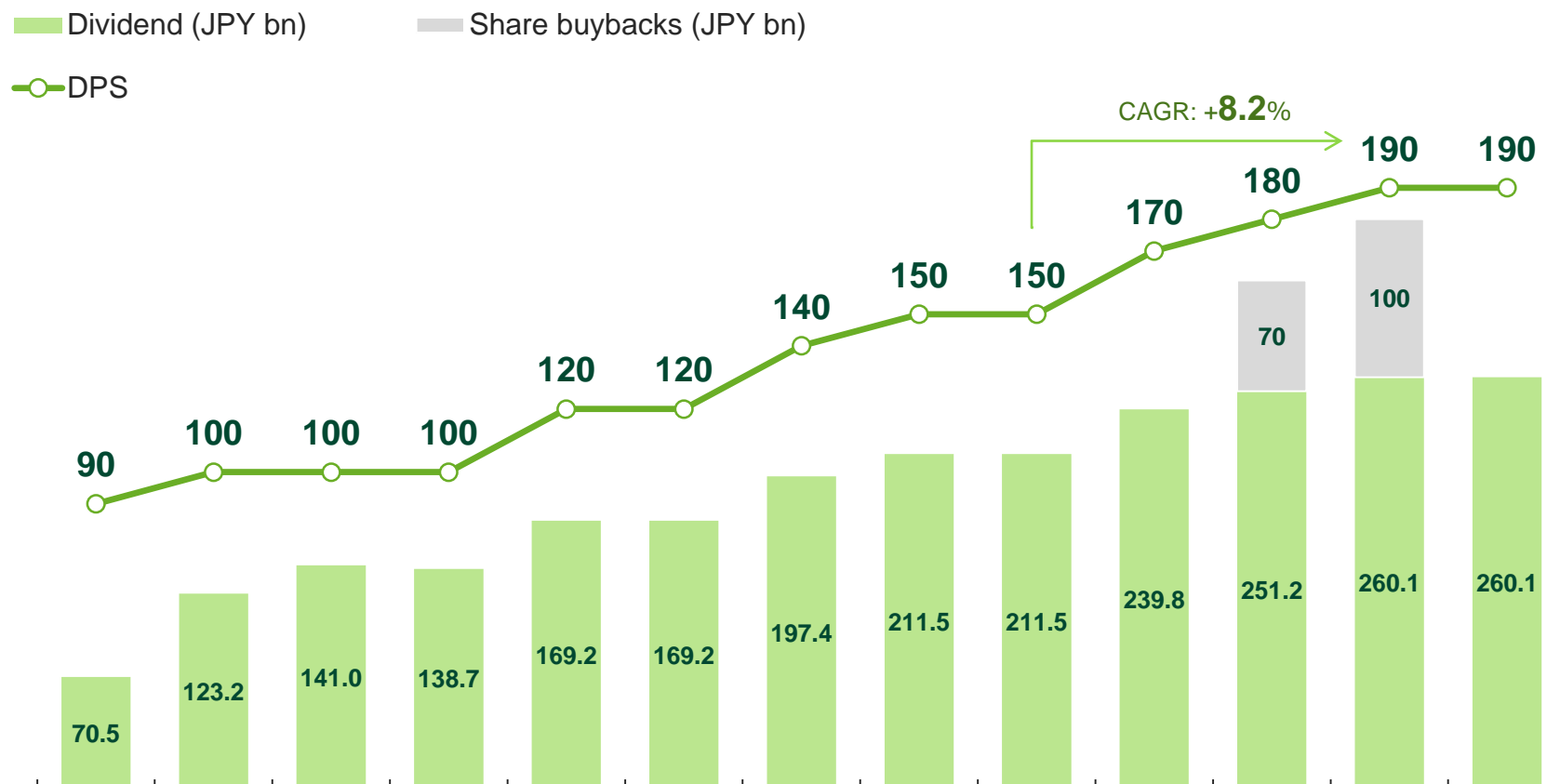


(Ref.) Enhancing shareholder returns

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



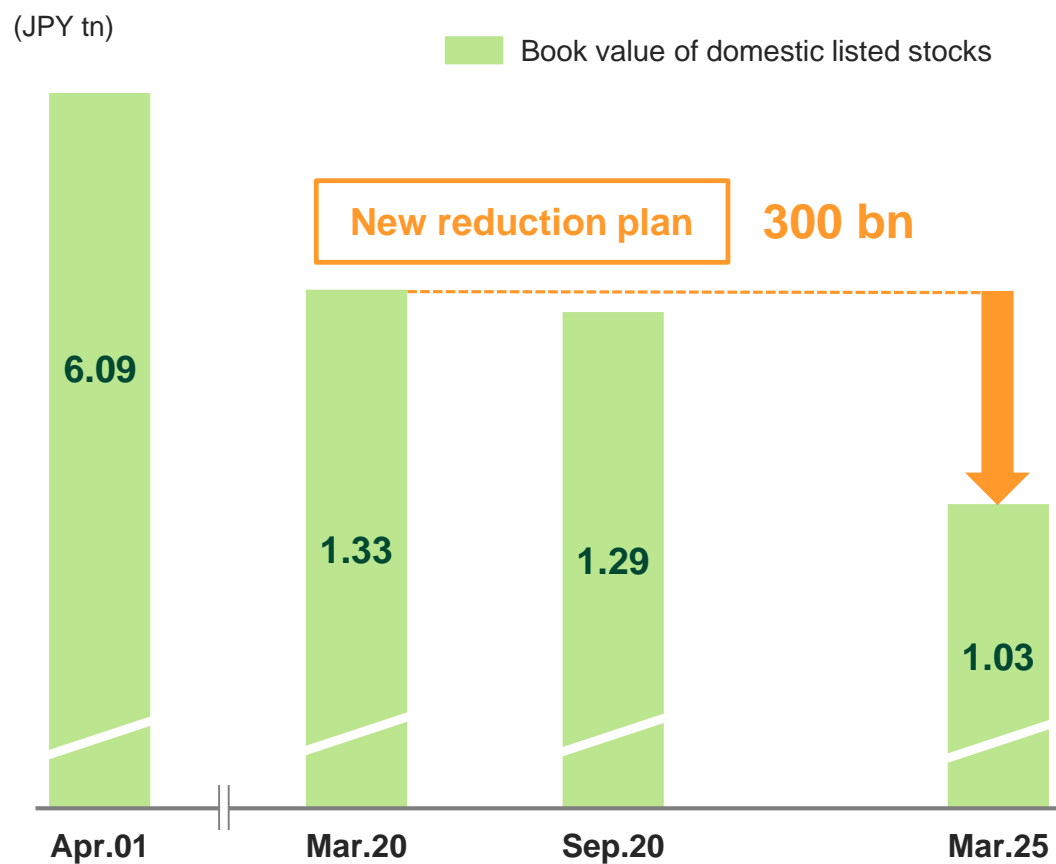
(Ref.) Shareholder returns



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

Strategic shareholdings

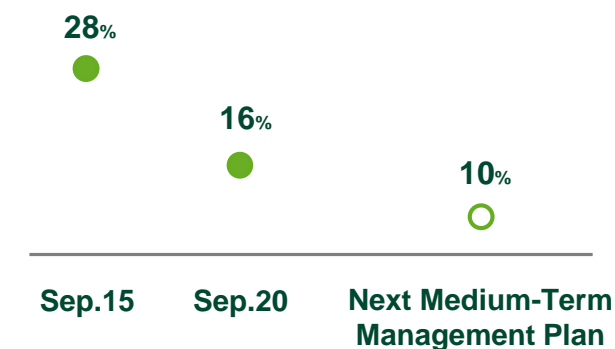
New plan to reduce JPY 300 bn in the next 5 years. Reduced JPY 31 bn in 1H.



Reduction

Previous reduction plan (Sep.15 - Sep. 20)	JPY 510 bn
New reduction plan (Mar.20 -)	
Reduction	JPY 31 bn
Consent of sales	JPY 45 bn
Total	JPY 76 bn

Ratio of stocks to CET1 ^{*1}



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



V. Boost internal communication

Boost internal communication

Encourage group-wide open communication to create a corporate culture in which new ideas and challenges occur one after another.

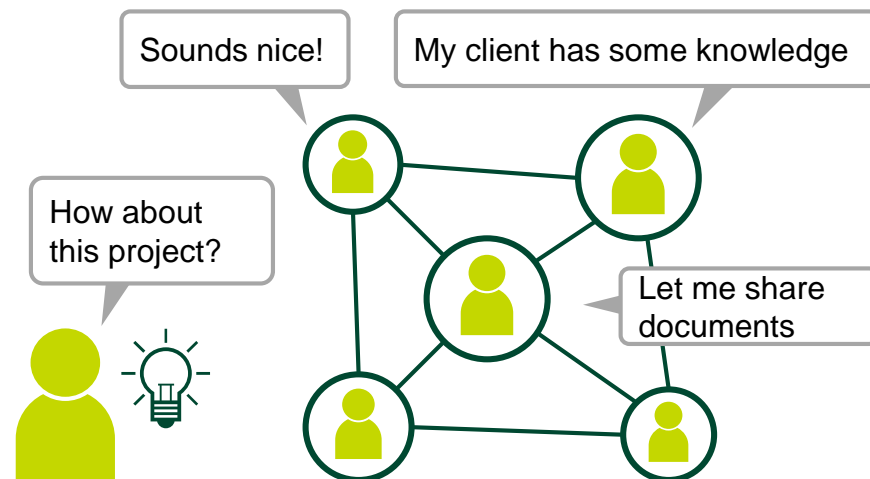
CEO Luncheon

Lunch meeting with young employees



Internal SNS system

“Know,” “connect,” and “share”





Appendix

Company overview (1) Group structure

Sumitomo Mitsui Financial Group

Consolidated total assets JPY 226 tn

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

 Consolidated subsidiary  Equity-method affiliate

Banking

Sumitomo Mitsui Banking Corporation

Moody's	S&P	Fitch
A1	A	A

SMBC Trust Bank

(92%)

PT Bank BTPN Tbk

Leasing

(50%)

Sumitomo Mitsui Finance and Leasing

(SMBC 32%, SMFL 68%)

SMBC Aviation Capital

Securities

SMBC Nikko Securities

Consumer Finance

Sumitomo Mitsui Card

SMBC Consumer Finance

Others

(50.1%)

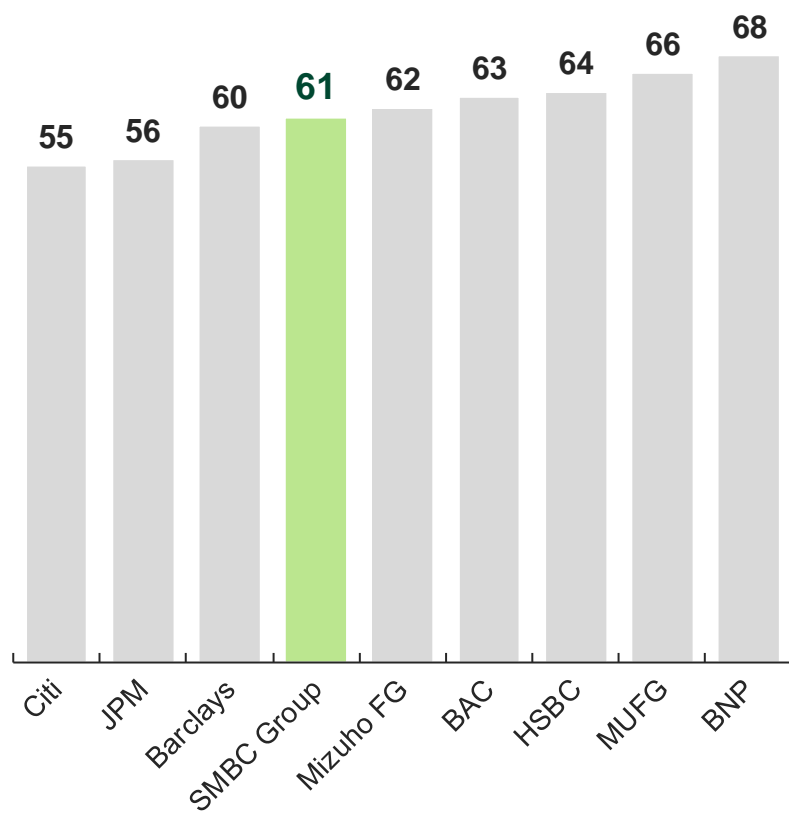
Japan Research Institute

Sumitomo Mitsui DS Asset Management

Company overview (2) Peer comparison

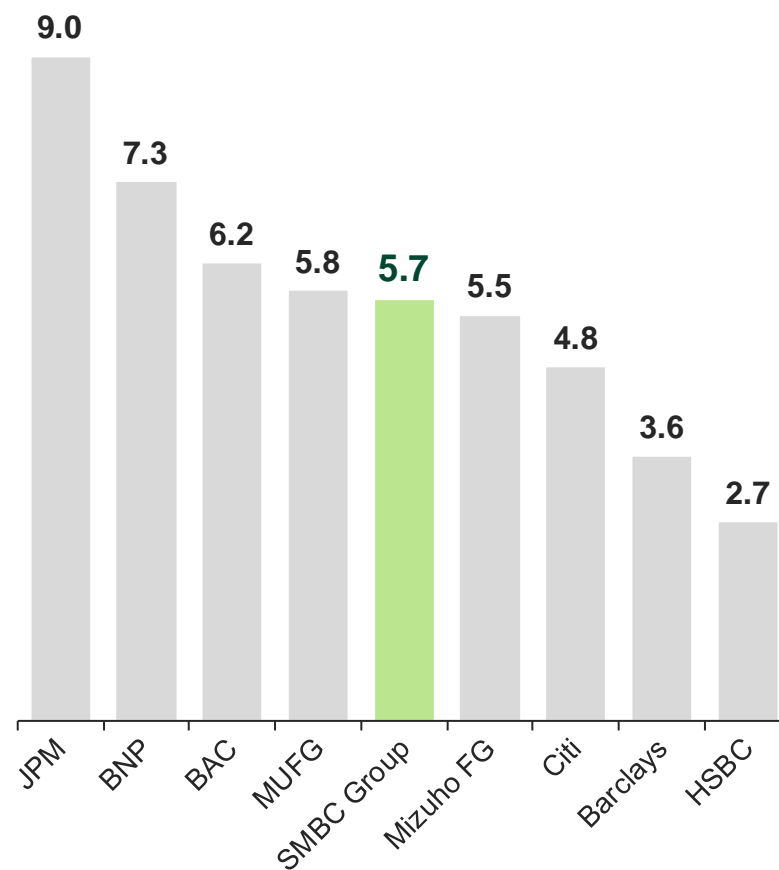
OHR^{*1}

(%)



ROE^{*1}

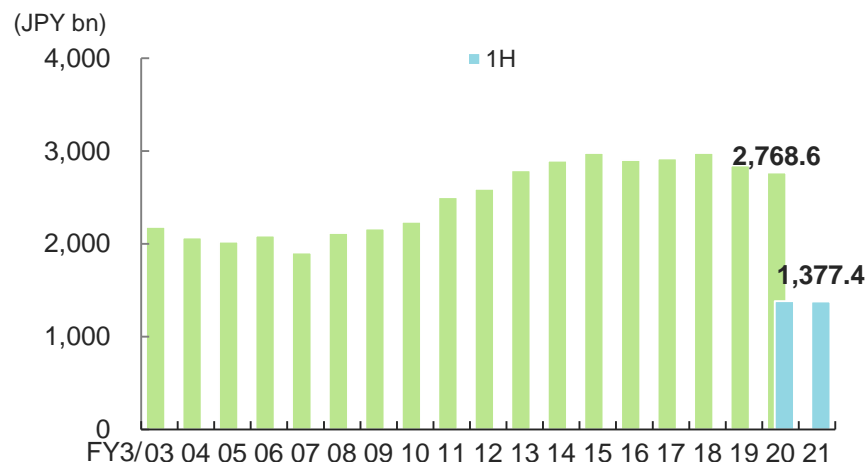
(%)



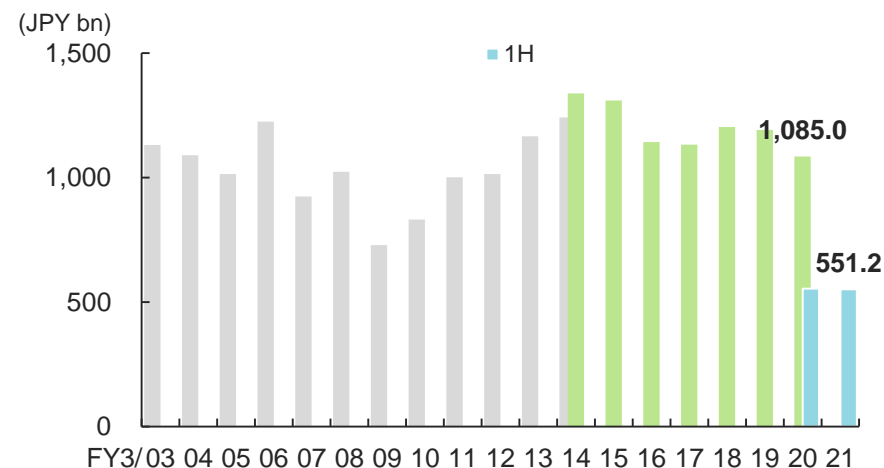
^{*1} Based on each company's disclosure. 1H FY3/21 results for SMBC Group, MUFG, Mizuho and Jan-Sep.20 results for others

Company overview (3) Long-term results

Consolidated gross profit



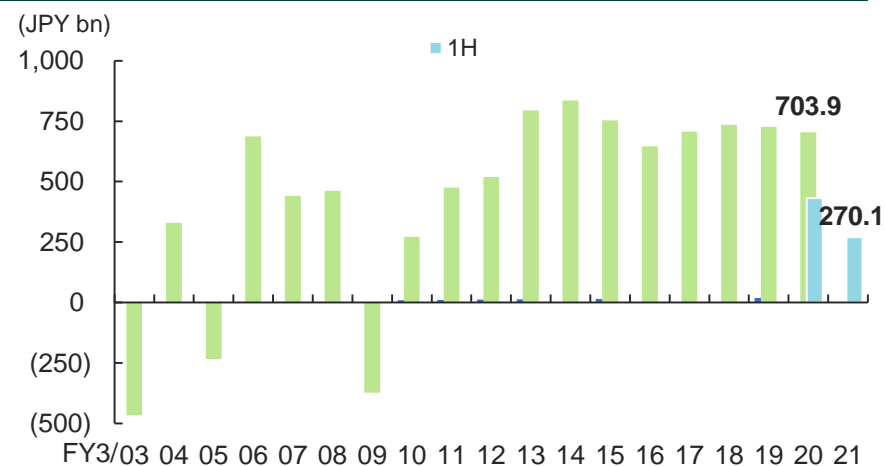
Consolidated net business profit*1



Breakdown of consolidated gross profit

	FY3/03		1H FY3/21
SMBC's Domestic loan / deposit related	35%	↘	15%
International business (banking)	5%	↗	22%
Group companies excluding SMBC	18%	↗	37%

Profit attributable to owners of parent



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

Medium-Term Management Plan

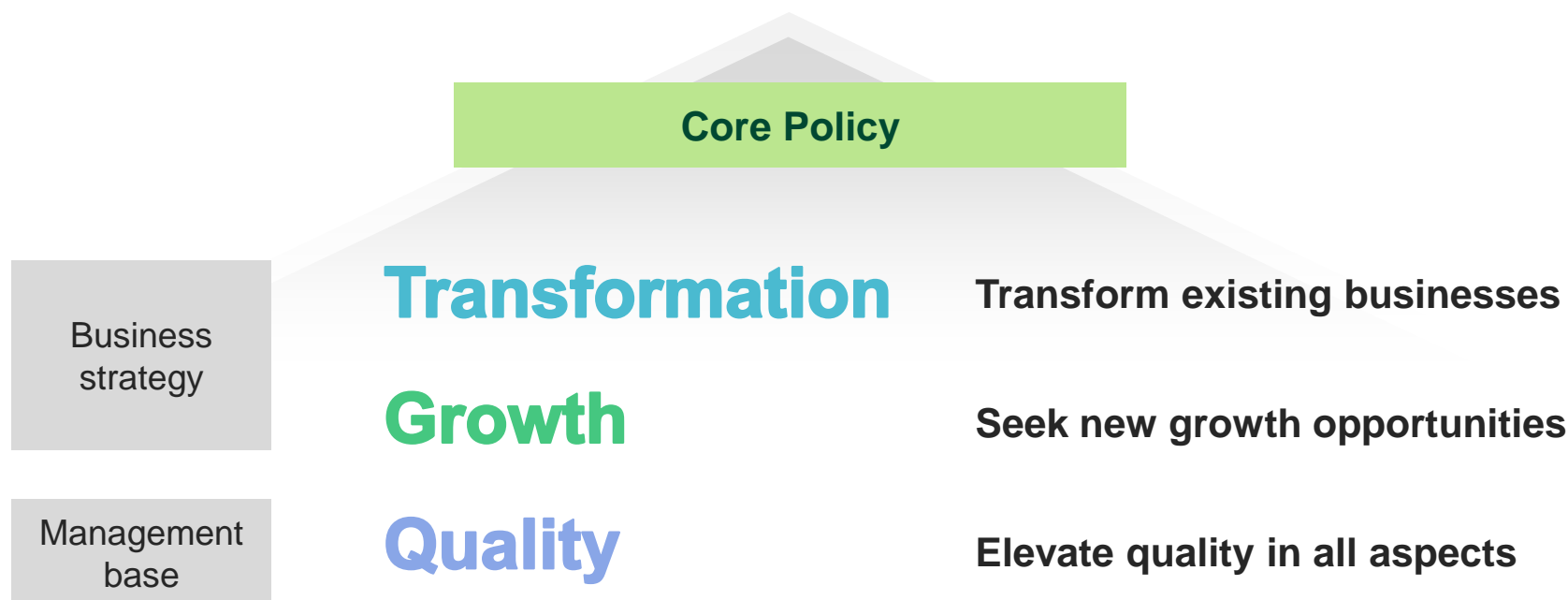
(1) Core Policy

Announced in May 2020

Mid-long term Vision

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

Future directions **1** Data oriented **2** Building platforms **3** Solution provider



Medium-Term Management Plan

Announced in May 2020

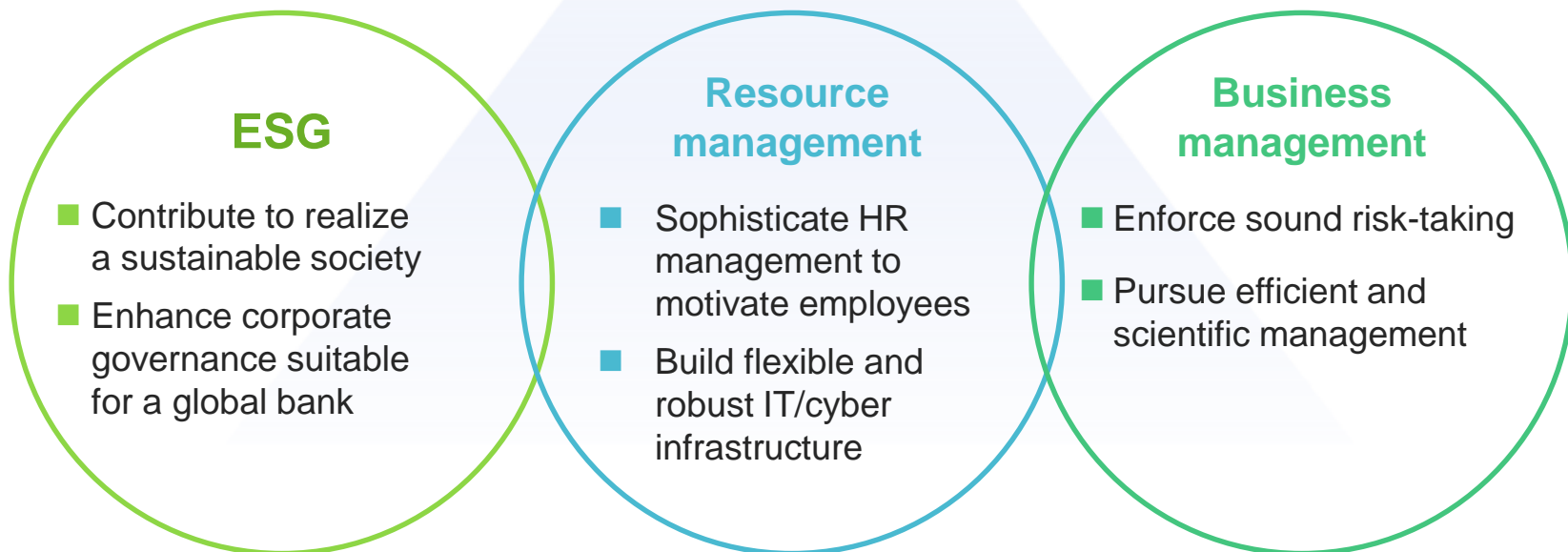
(2) Business strategies – Transformation & Growth –

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



Quality

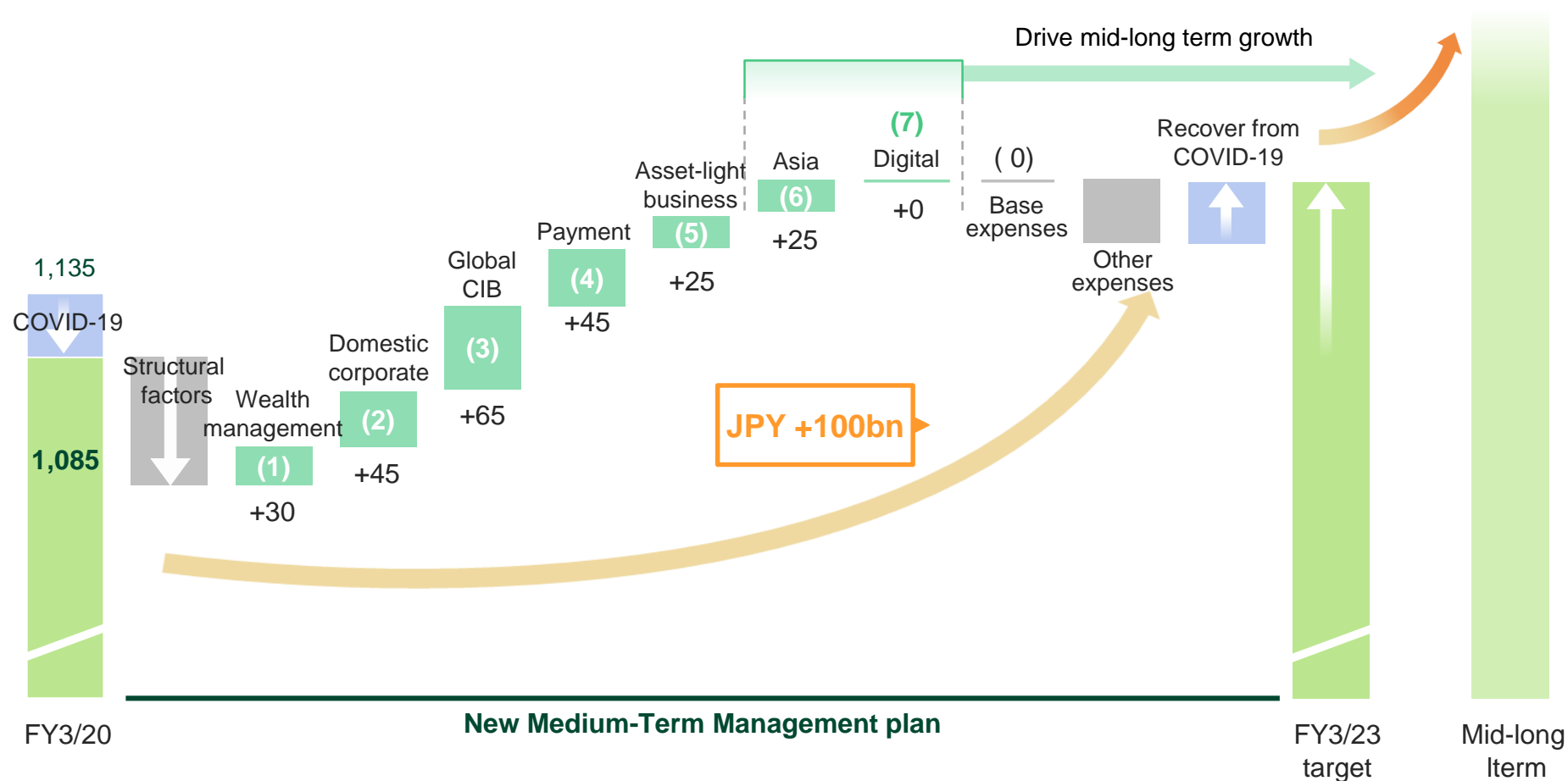
Elevate quality in all aspects



Roadmap to 2022 (1) Profit

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

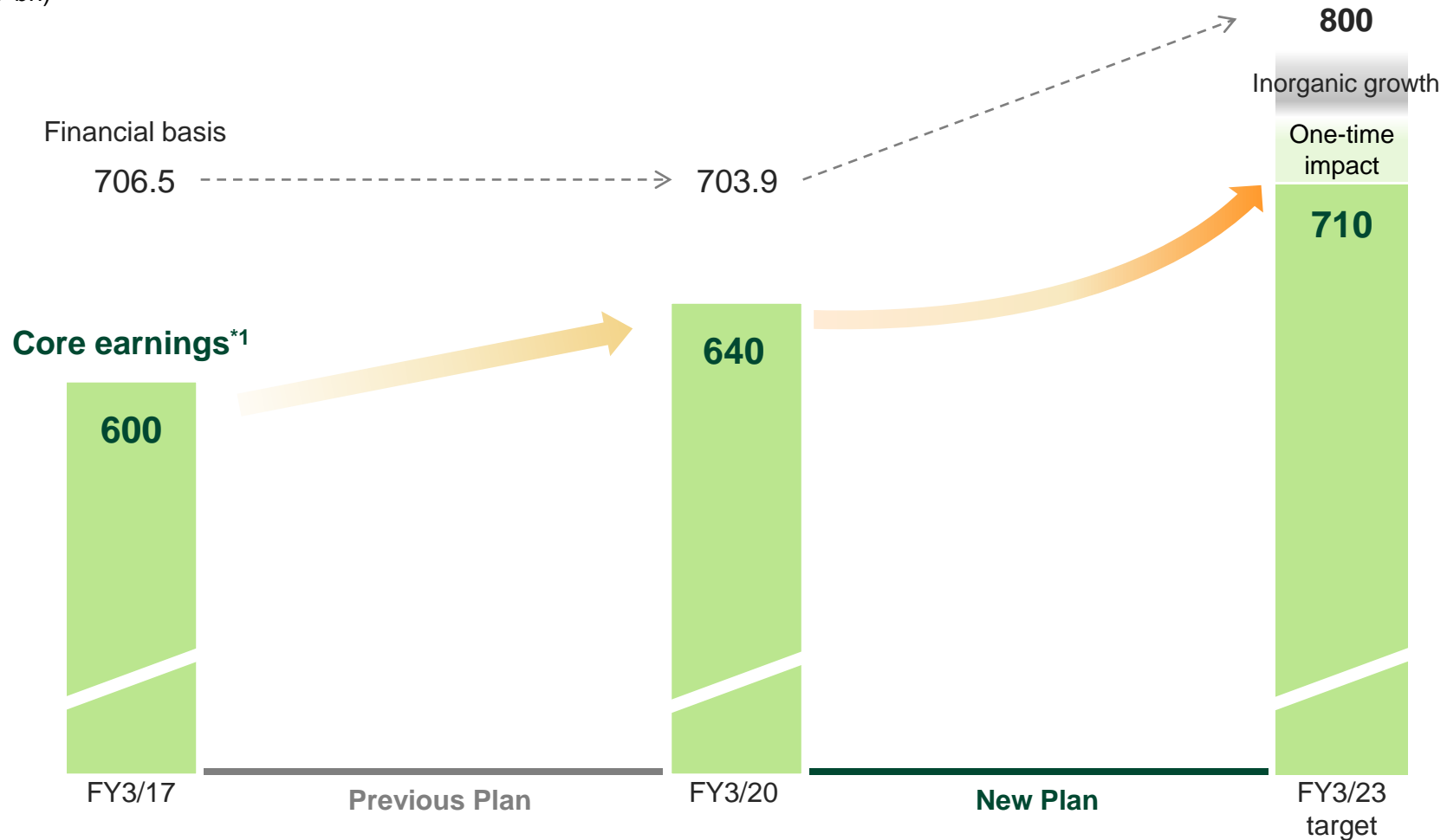
(JPY bn)



Roadmap to 2022 (2) Profit

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

(JPY bn)



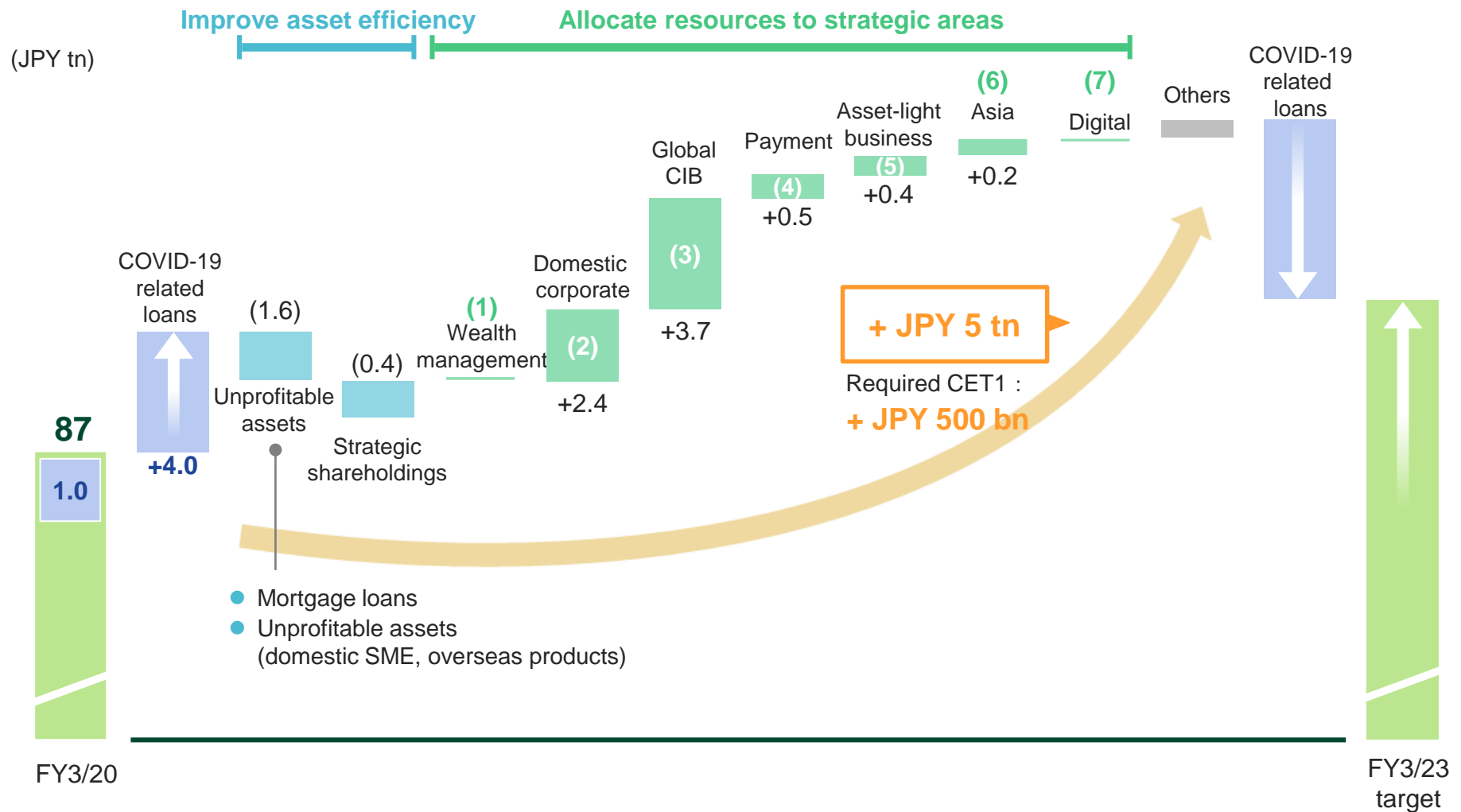
*1 Difference from financial basis:

FY3/17) impact from introducing consolidated tax system

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

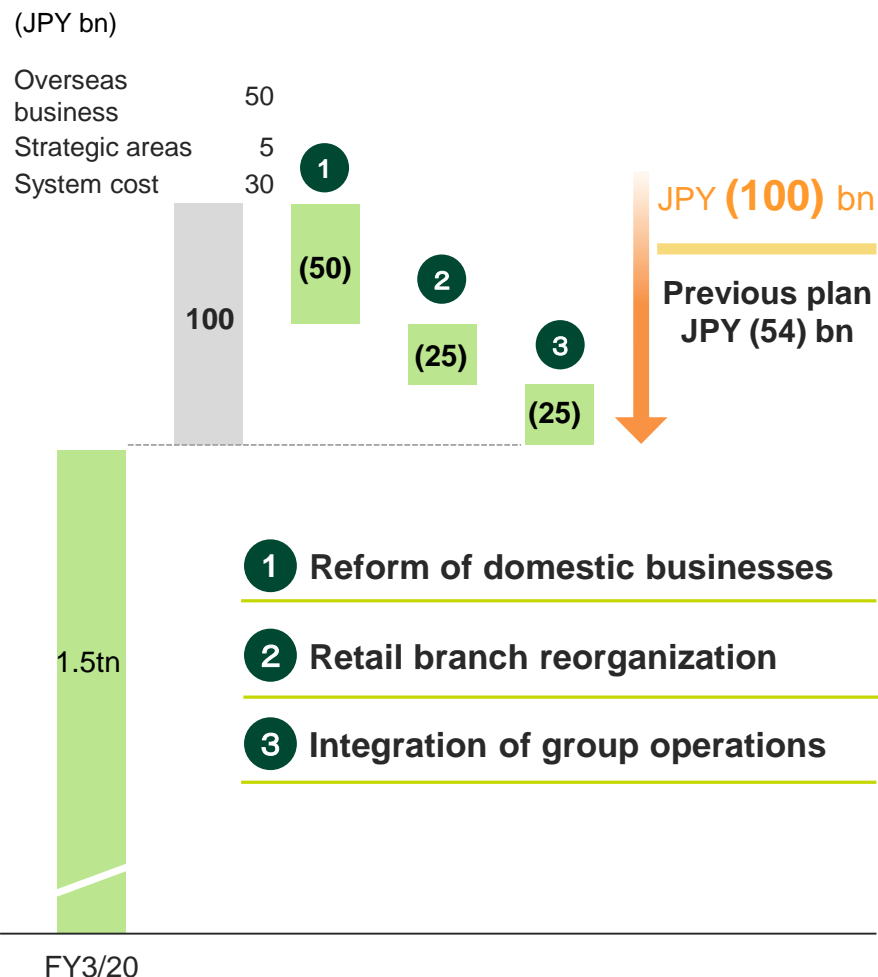
Roadmap to 2022 (3) RWA

Allocate capital in growth areas while reducing unprofitable assets.

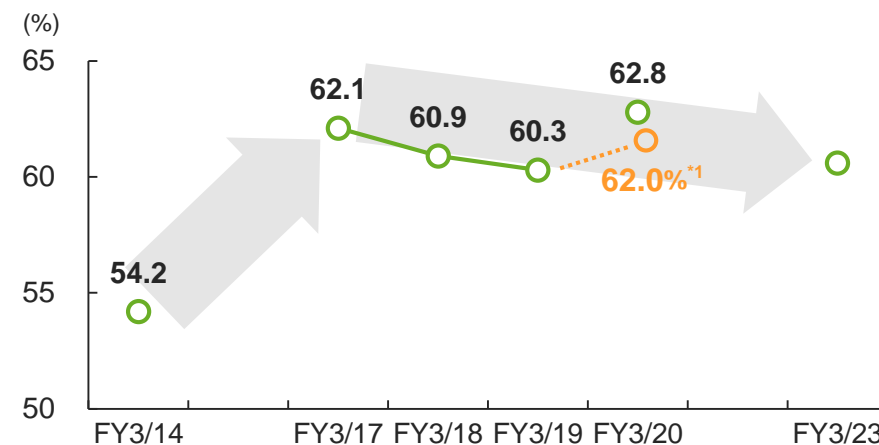


Roadmap to 2022 (4) Cost

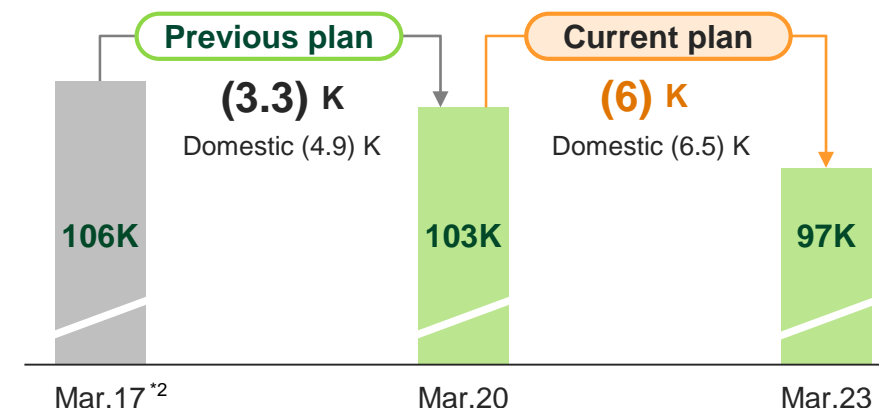
Control of base expenses



OHR



Headcount



Roadmap to 2022 (4) Cost

Key initiatives of cost reduction

1 Reform of domestic businesses

JPY 50 bn

Reform of retail business

Optimize resource allocation of
wealth management business
Digitalize mortgage loan procedures

Reallocate workforce of domestic wholesale business

Key strategy (2) P.65

Reduce headcounts of headquarters

(30)%

2 Retail branch reorganization

JPY 25 bn



3 Integration of group operations

JPY 25 bn

Relocate SMCC and SMBCCF
to integrate operations

PMI of asset management
business

Consolidate data centers /
base systems of group
companies

Seven Key Strategies

Transformation

Transform existing businesses

Growth

Seek new growth opportunities

1

Pursue sustainable growth of wealth management business

2

Improve productivity and strengthen solutions in the domestic wholesale business

3

Enhance overseas CIB business to improve asset / capital efficiency

4

Hold the number one position in payment business

5

Enhance asset-light business on a global basis

6

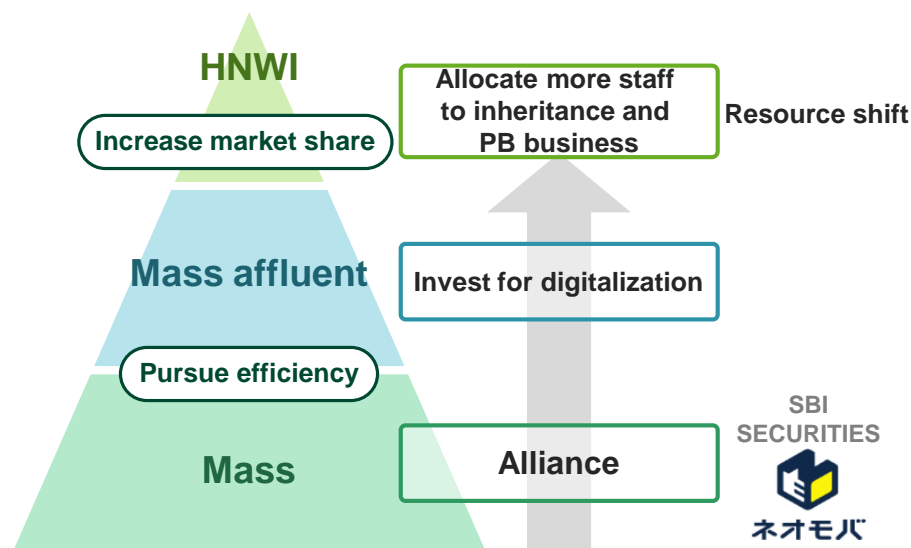
Expand franchise and strengthen digital banking in Asia

7

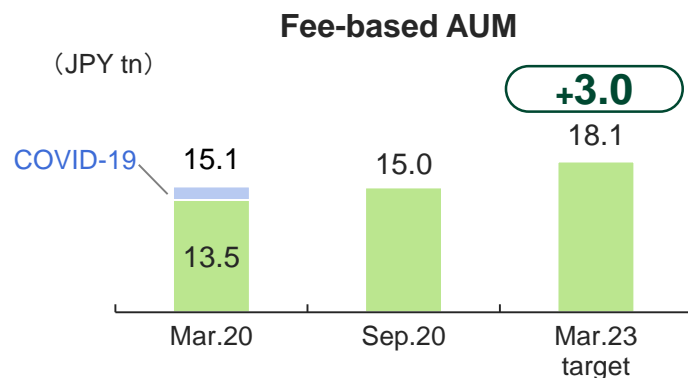
Develop digital solutions for corporate clients

(1) Pursue sustainable growth of wealth management business

Reallocate resources by segment

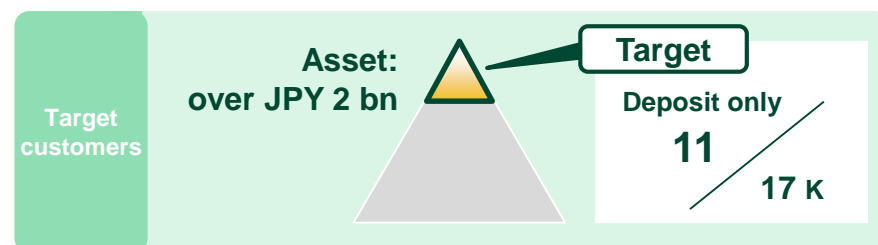


KPI



Enhance capability for HNWI

Expand business mainly with business owners



New brand

SMBC
Private Wealth

SMBC Nikko Private Wealth Strategy Division

Strengthen our capability by integrating services of each group company

Asset management

Succession

Non-financial service

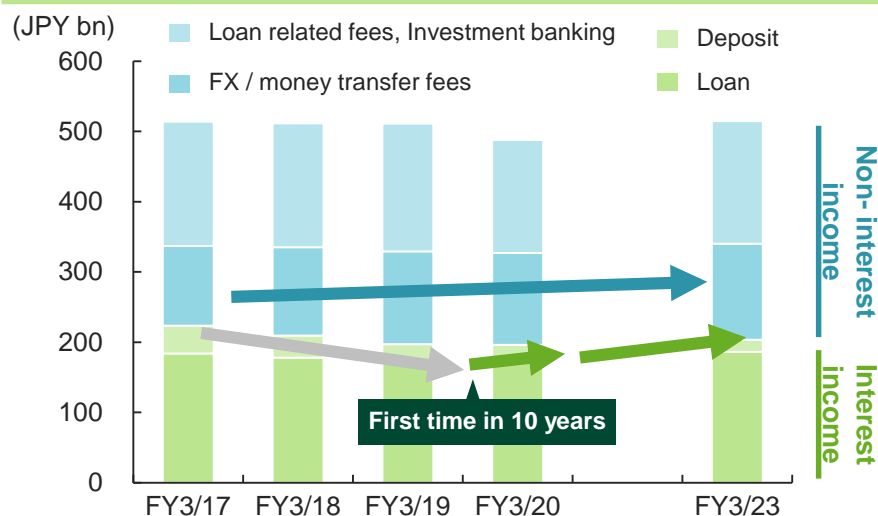
Product / Solution

SMBC Nikko	SMBC	SMBC Trust
Stock Bond Investment trust	Deposit Insurance Inheritance	Foreign currency Trust Real estate

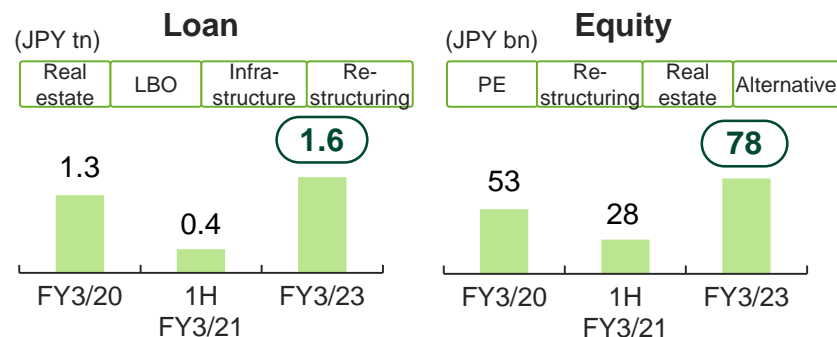
(2) Improve productivity and strengthen solutions in the domestic wholesale business

Accelerate profit growth with the decline of loan income bottoming out

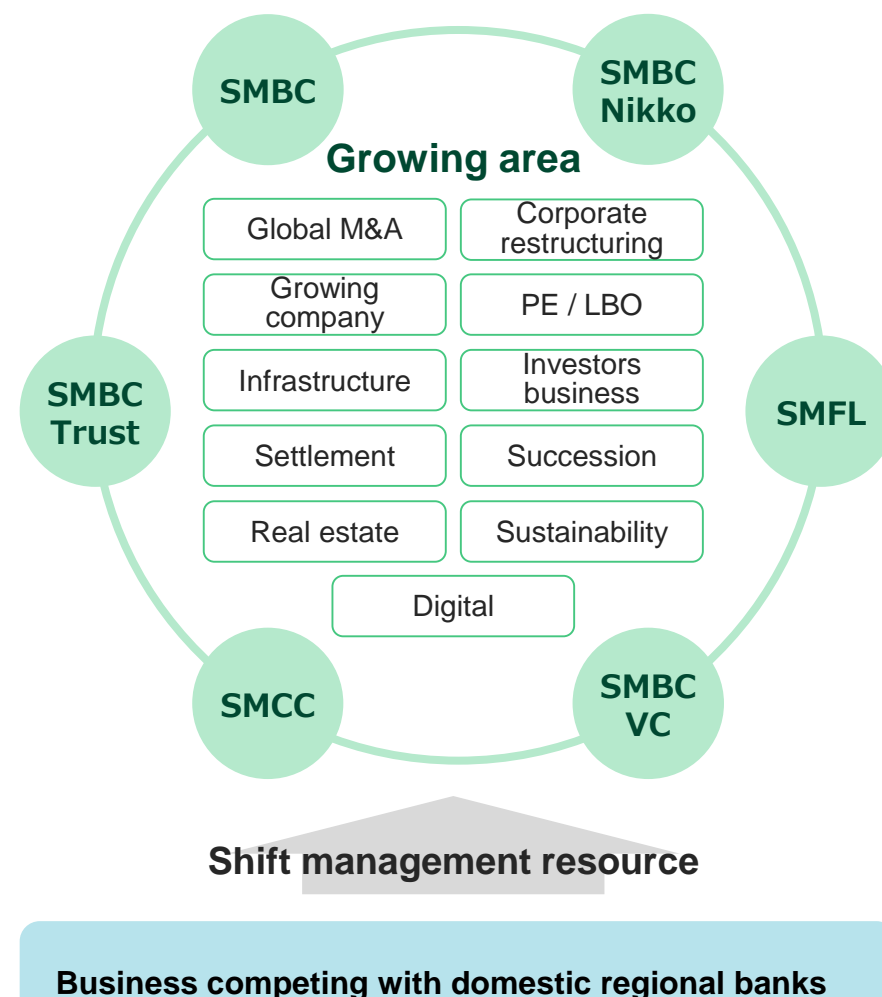
Gross profit of Wholesales business unit (SMBC)



KPI Initiatives in growing area

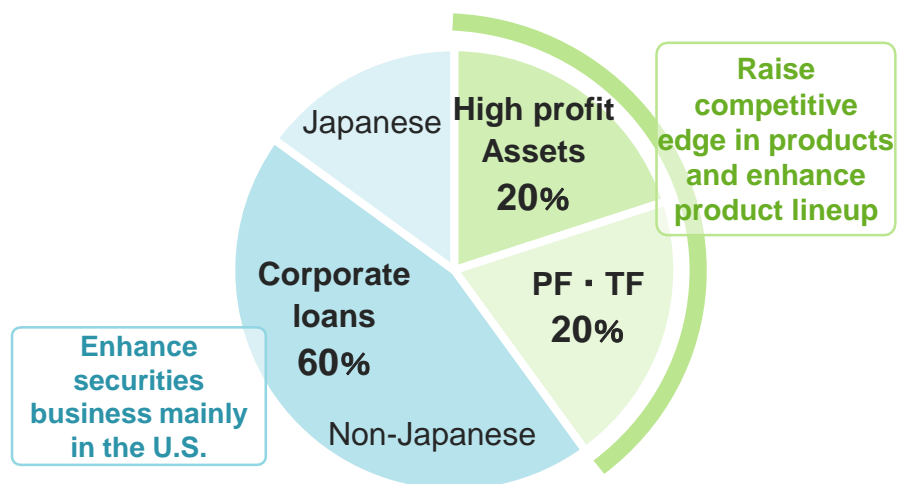


Provide total solutions on a group basis

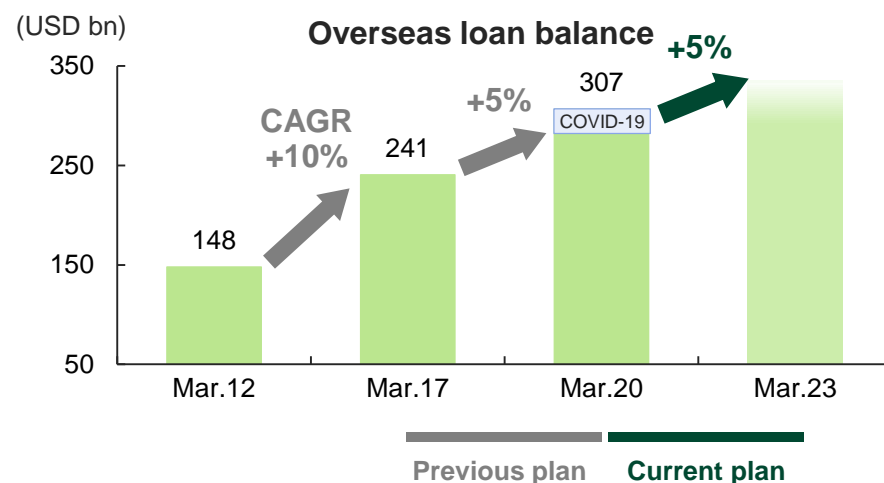


(3) Enhance overseas CIB business to improve asset / capital efficiency

Cross-sell by leveraging group strengths

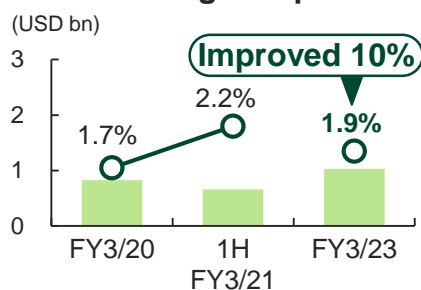


Pursue growth without excessively relying on B/S expansion

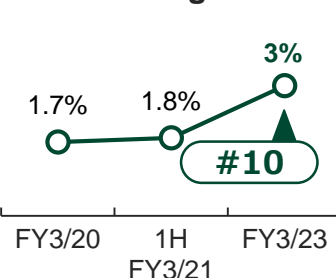


KPI

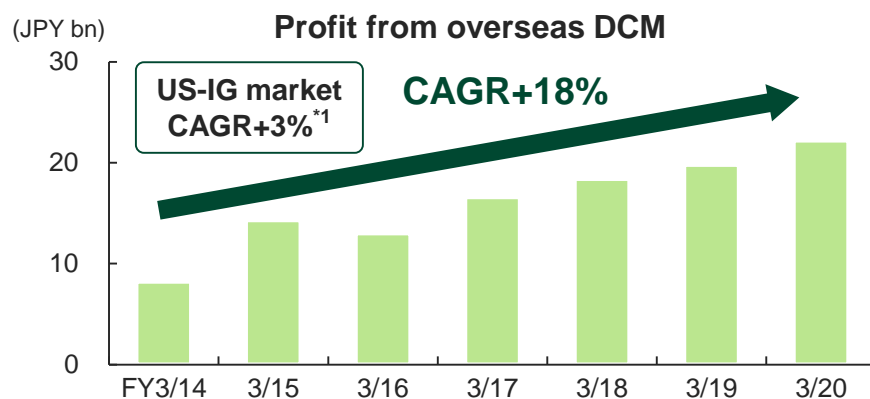
ROFA*1 / gross profit *2



US IG bonds underwriting share



Pursue growth on a group basis



(4) Hold the number one position in payment business

Accelerate cashless payment strategy



Enhance consumer finance on a group basis

Highly profitable business model

Average yield of around 15%

Operating expense

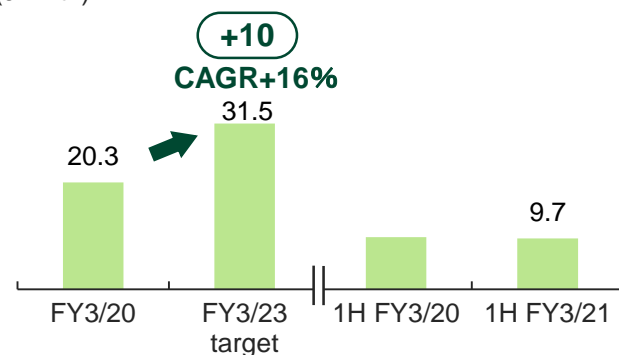
Credit cost

Funding cost

Income 4% (pre-tax)

KPI

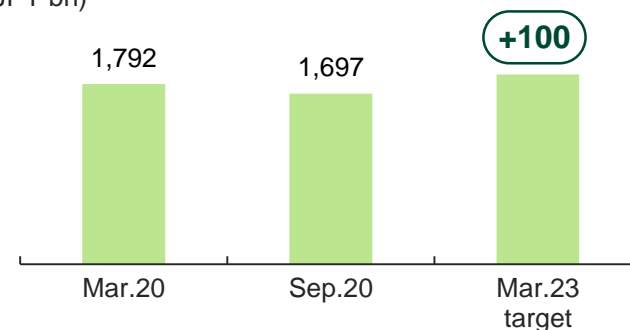
(JPY tn) Credit card sales handled



KPI

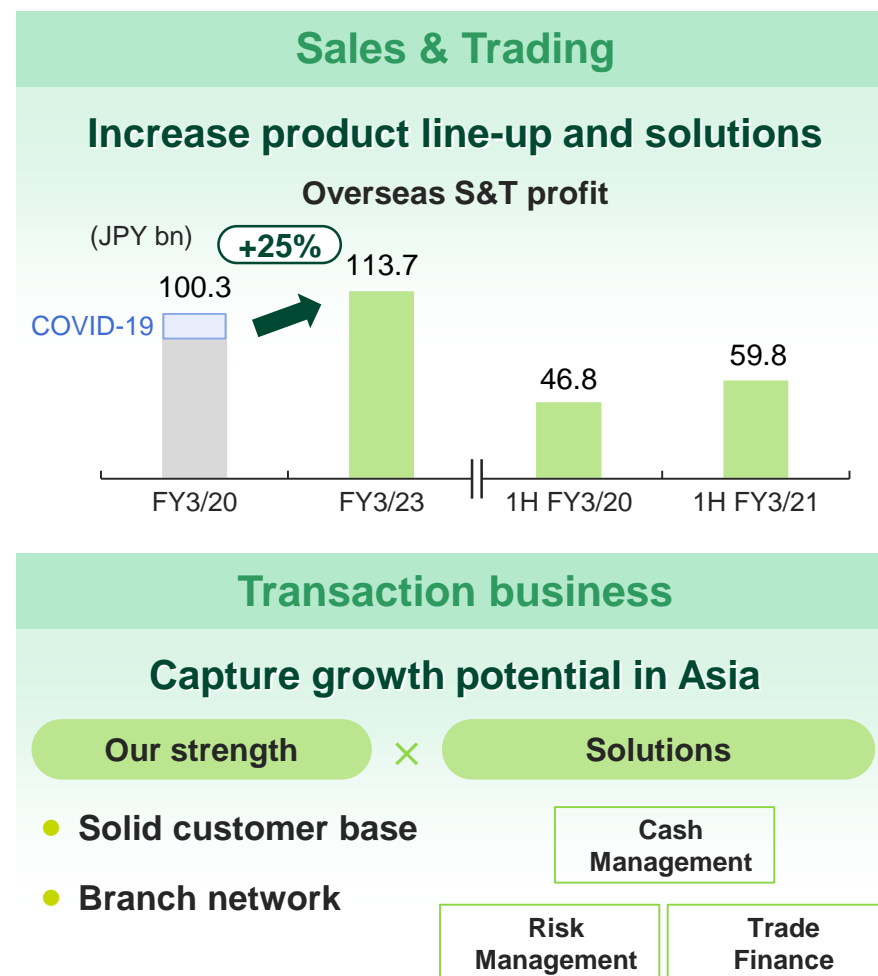
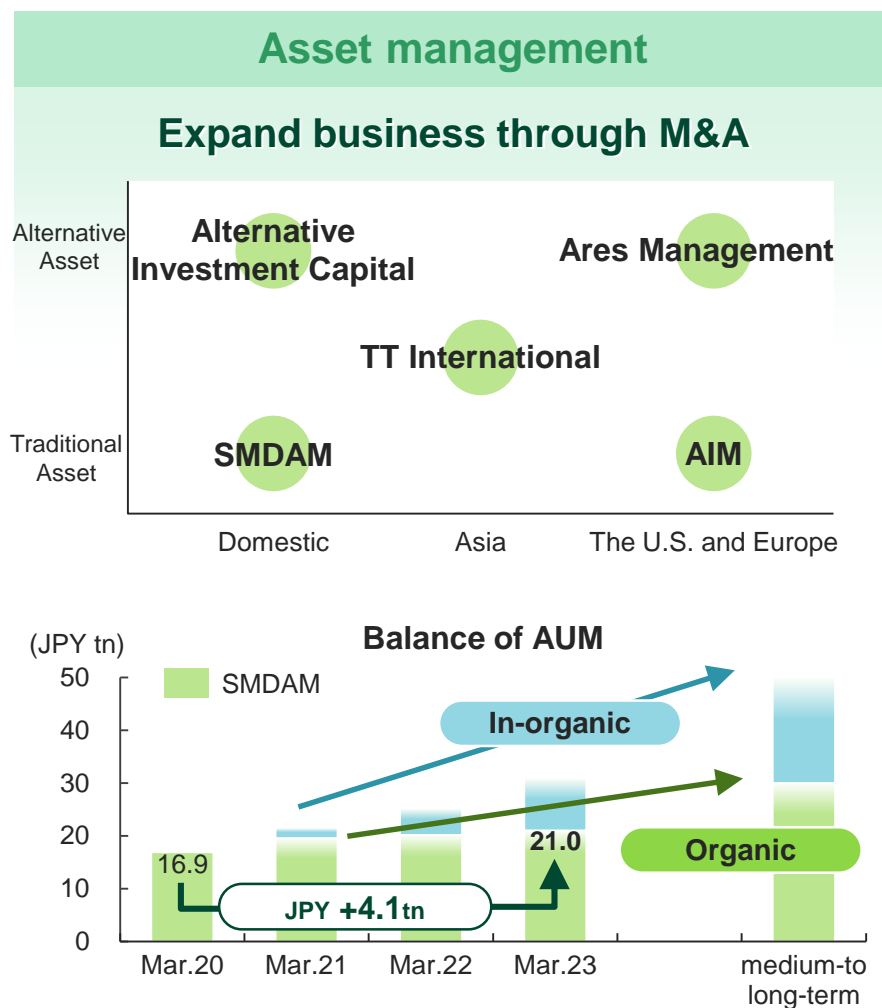
Balance of card loans

(JPY bn)



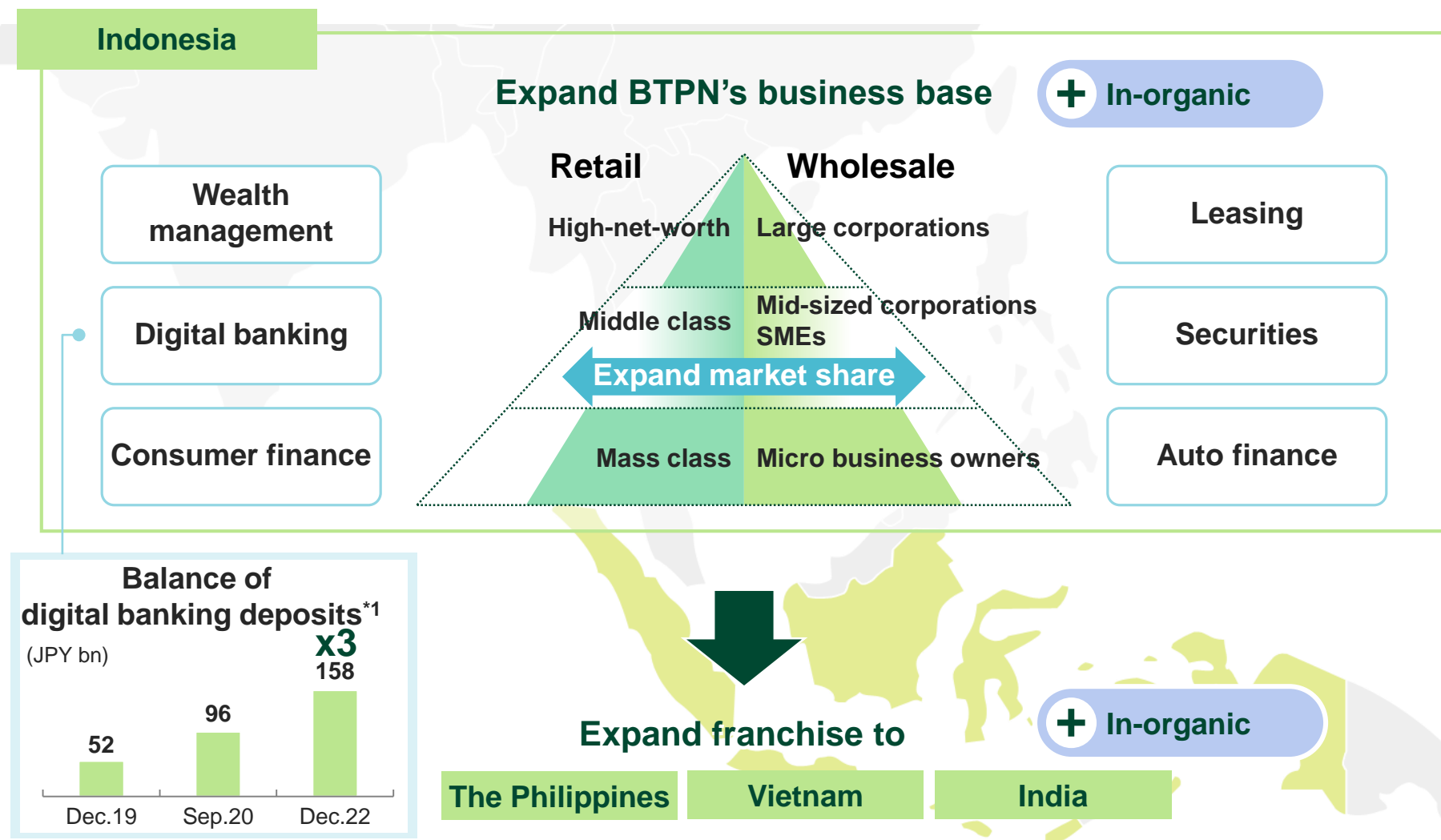
(5) Enhance asset-light business on a global basis

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



(6) Expand franchise and strengthen digital banking in Asia

Accelerate multi-franchise strategy in Asia.



*1 IDR 1 = JPY 0.0079

(7) Develop digital solutions for corporate clients

Create new business for clients leveraging our strengths.



Digital platform for corporates

Finance service platform for the construction industry



Cashless payment infrastructure

TOYOTA wallet

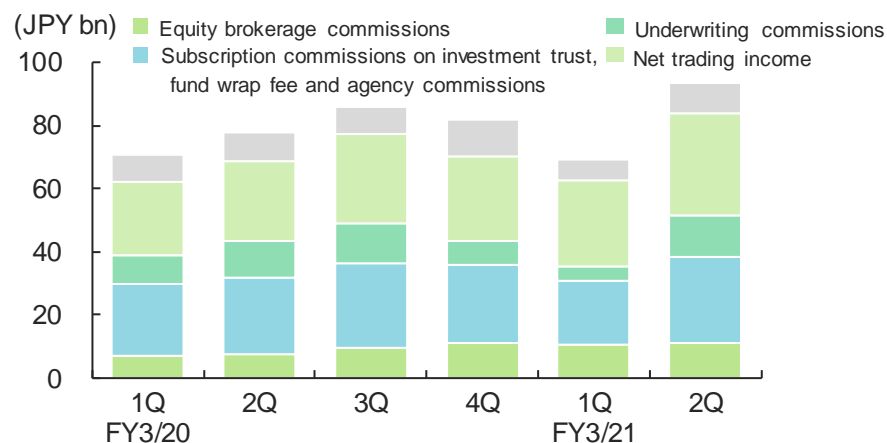


Group companies (1) SMBC Nikko

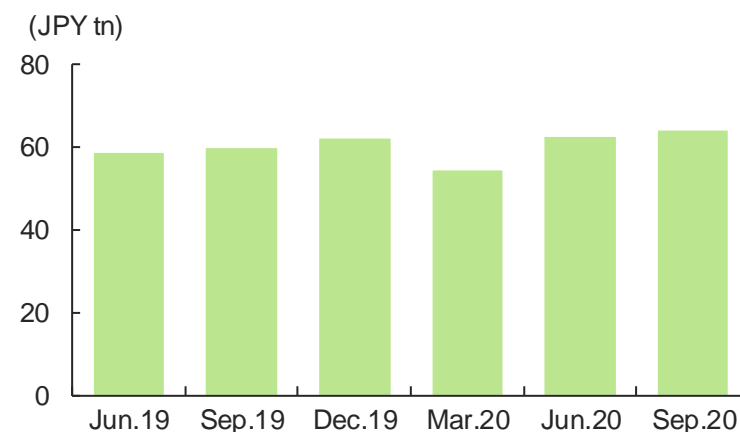
Financial results

(JPY bn)	FY3/20	1H FY3/21	YoY
Net operating revenue	316.0	162.8	+14.4
SG&A expenses	273.0	130.5	(1.2)
Ordinary income	49.8	35.9	+16.5
Net income	39.2	28.2	+11.8

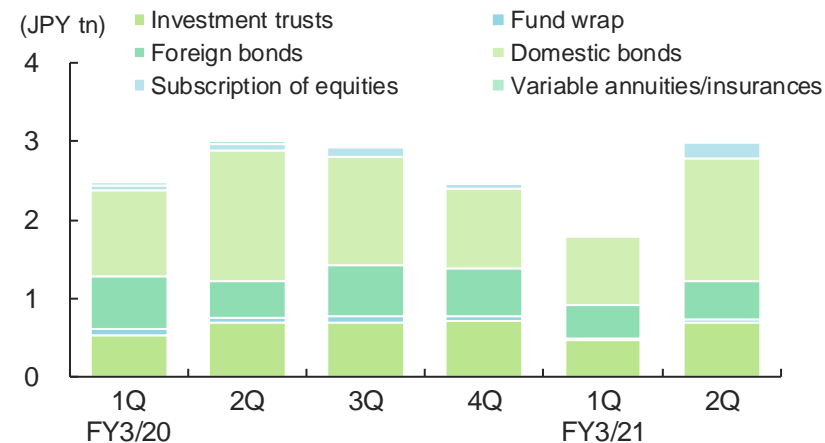
Net operating revenue



Client assets



Product sales



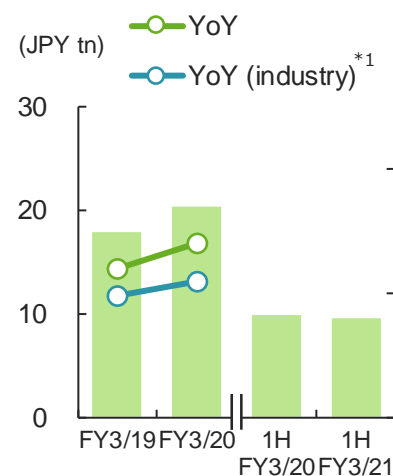
Group companies (2) SMCC

Financial results

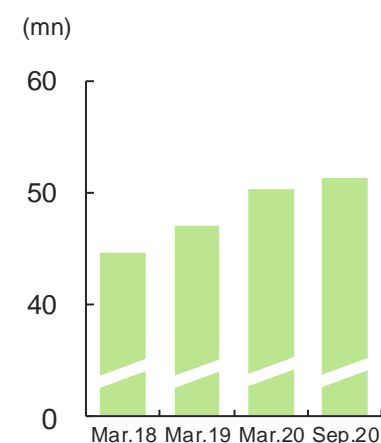
(JPY bn)	FY3/20	1H FY3/21	YoY
Operating revenue	480.8	216.8	(22.2)
o/w Commission fee	153.0	67.1	(8.8)
Finance	109.2	52.1	(2.3)
Sales on credit	35.8	16.6	(1.9)
Receipt agency	46.7	23.7	+0.3
Operating expense	430.3	192.1	(10.5)
o/w Expenses for loan losses	32.3	11.6	(4.3)
Expense for interest repayments	12.0	-	-
Ordinary profit (loss)	50.8	25.3	(11.3)
Net income	38.2	18.9	(12.7)
Finance outstanding	738.3	679.4	

Key figures

Sales handled

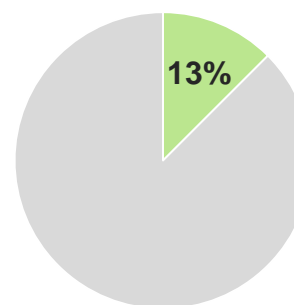


of card holders

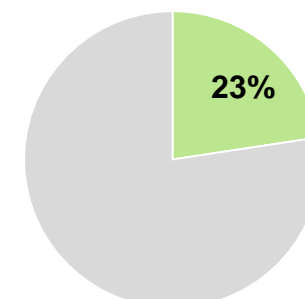


Market share*2

Issuing



Acquiring



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

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

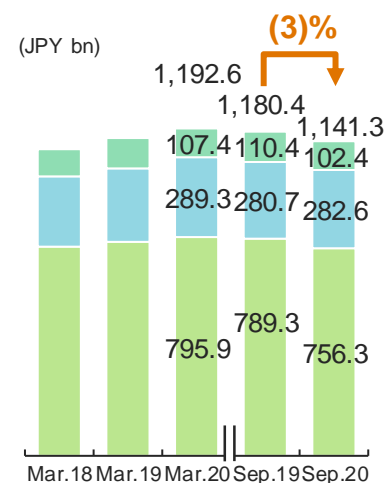
Group companies (3) SMBCCF

Financial results

(JPY bn)	FY3/20	1H FY3/21	YoY
Operating income	288.5	138.2	(5.7)
o/w Interest revenues	184.9	90.5	(1.4)
Loan guarantee revenues	68.7	31.3	(3.2)
Operating expenses	228.3	86.4	(10.3)
o/w Expenses for loan losses	68.2	30.7	(7.1)
Expense for loan guarantees	15.3	2.0	+1.0
Expenses for interest repayments	27.0	-	-
Ordinary profit	60.5	52.5	+5.0
Net income	90.1	43.8	+3.4
NPLs	78.3	85.5	
(NPL ratio)	6.57%	7.49%	
Allowance on interest repayments (provision)	106.1	95.3	
	3.2 yrs	4.4 yrs	

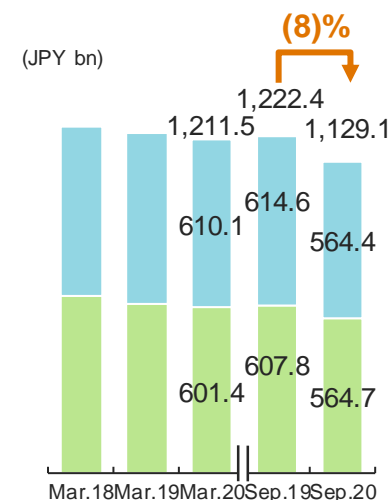
Consumer loans

■ Promise (overseas) ■ Mobit ■ Promise

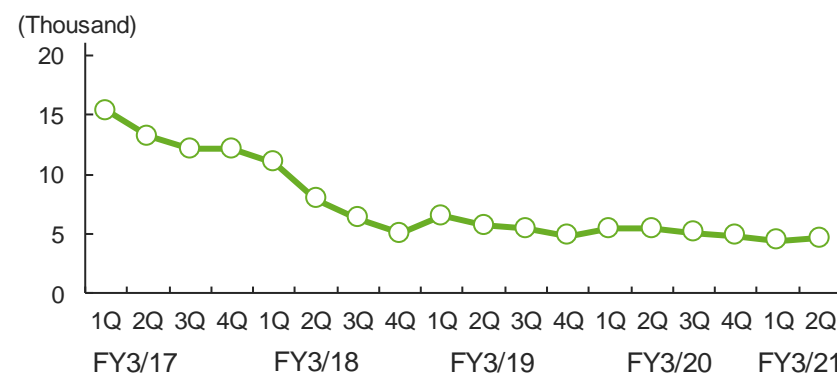


Loan guarantee

■ SMBC ■ Others



No. of interest refund claims

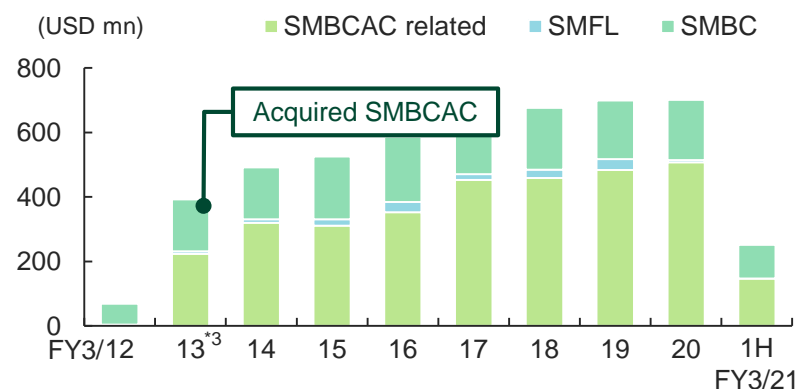


Group companies (4) SMBCAC

Financial results

(USD mn)	FY3/20	1H FY3/21	YOY
Total revenue	1,283	577	(62)
Lease revenue	1,135	571	+6
Credit / Asset impairment charges	32	125	+121
Net income	334	19	(170)
Aircraft asset^{*1}	13,142	14,431	+1,511
Net asset	3,047	3,069	(46)
ROE	10.8%	1.2%	(10.9)%

Aircraft business of SMBC Group



of owned and managed aircraft^{*2}

	Company	Country	#
1	GECAS	USA	1,100
2	AerCap	Ireland	1,013
3	Avolon	Ireland	553
4	BBAM	USA	519
5	SMBCAC	Ireland	415

Average age of aircraft

4.3 years (as of Sep.20)

*1 Include Aircraft pre-delivery payments *2 As of Sep. 20 (Source: CIRIUM Portfolio Tracker:Q3 2020)

*3 SMBCAC related includes revenue after the acquisition in June

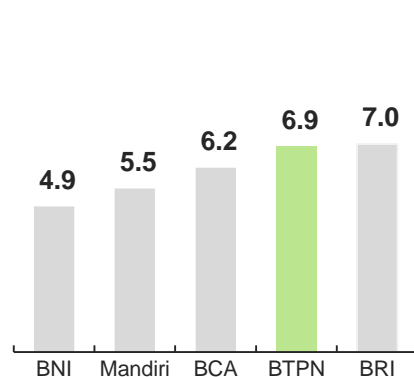
Group companies (5) BTPN

Financial results*¹

(JPY bn)	2017	2018	2019	Jan-Sep. 2020
Gross banking profit	82.9	77.5	99.6	65.6
Operating expenses	57.4	44.7	56.3	36.0
Net profits	10.1	14.0	20.3	11.0
ROE	8.2%	11.6%	9.9%	7.3%
Loans	542.4	517.8	1,119.9	1,056.6
Deposits	563.7	538.4	686.8	715.7
Total assets	788.8	770.2	1,434.9	1,327.0

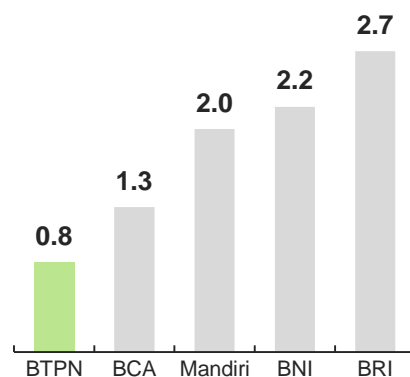
Net interest margin*²

(%)

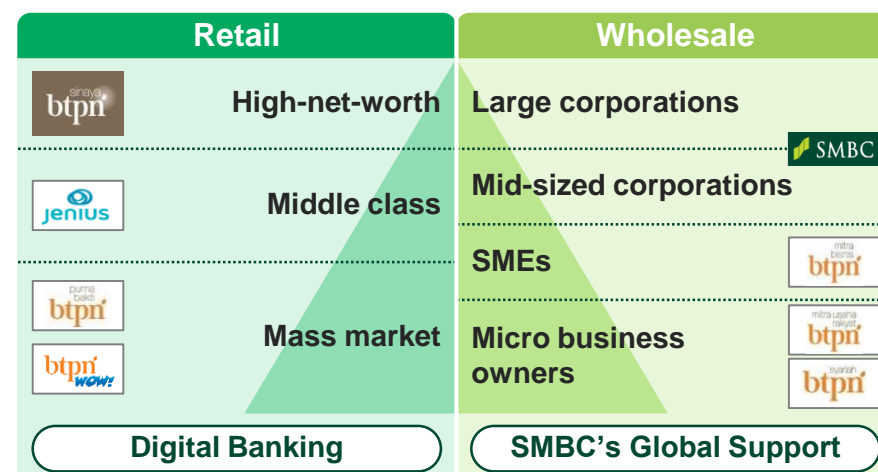


NPL ratio*²

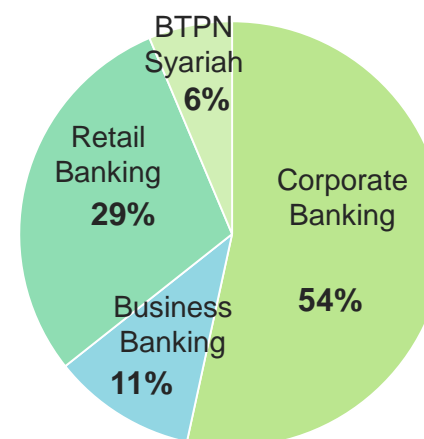
(%)



Customer



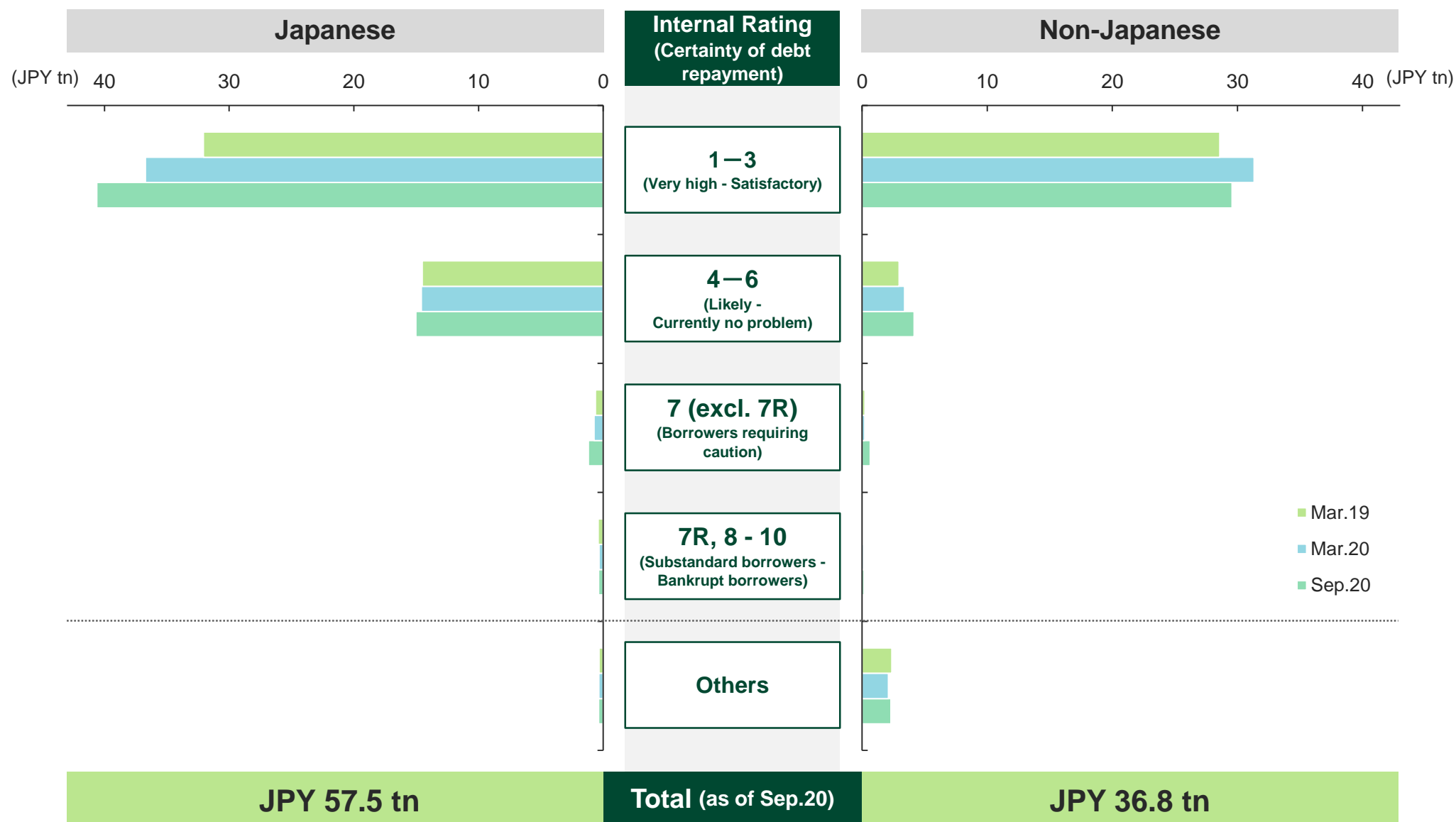
Loan breakdown*³



*1 TTM as of Dec. 17: IDR 1 = 0.0083, Dec. 18: IDR 1 = 0.0076, Dec. 19: IDR 1 = 0.0079, Sep. 20: IDR 1 = 0.0071

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

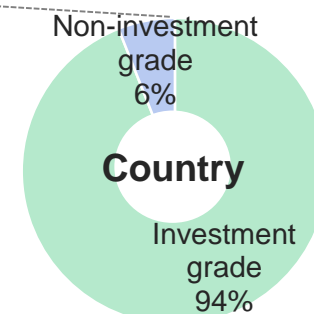
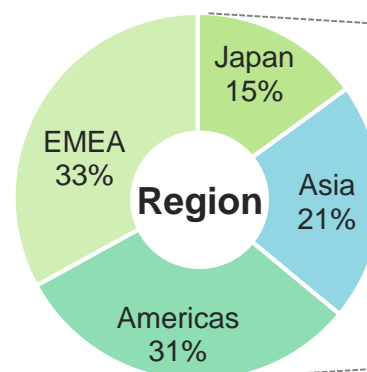
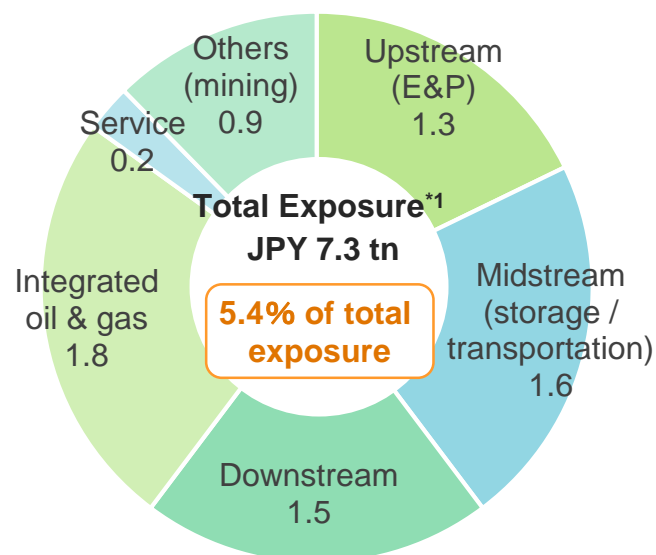
(Ref.) Breakdown by internal ratings*1



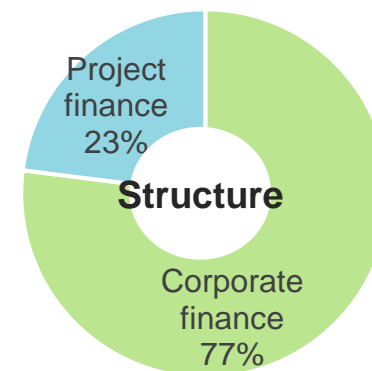
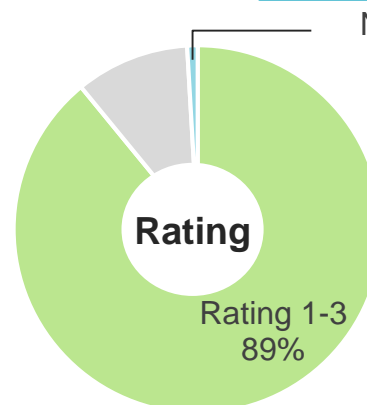
*1 Managerial accounting basis. Exposure includes loans, acceptances and guarantees, foreign exchanges, private placement, suspense payments, undrawn commitments, and derivatives, etc. Excluding the exposure to SMFG consolidated subsidiaries, retail customers in Japan, Japanese government, etc., and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

Exposure (1) natural resources

5.4% of total exposure. Been taken cautious approach to non-Japanese upstream and service transactions.



Coverage Ratio
73%



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

(ration to non- Japanese exposure to natural resources)

As of Sep.20

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

Exposure (2) resource-related sectors

	(JPY tn)	(1) Exposure (gross)	(2) Exposure (net)	% of rating 1-3	(3) Drawn amount	% of rating 1-3	(4) NPLs ^{*1,2}	(5) Ratio to drawn amount (4) / (3)	(6) Reserve for possible loan losses	(7) Collateral, guarantees, etc.	(8) Coverage ratio ((6)+(7)) / (4)
Japan		1.2	1.1	95%	0.7	94%	-	-	-	-	-
Asia (excluding Japan)		1.9	1.5	79%	1.4	78%	0.01	1.0%	0.00	0.01	58%
Americas		2.5	2.3	87%	1.0	86%	0.01	0.8%	0.00	0.00	81%
EMEA		2.9	2.5	92%	1.5	88%	0.02	1.3%	0.00	0.01	80%
Total		8.5	7.3	88%	4.6	85%	0.04	0.9%	0.01	0.02	73%
Oil and gas		6.5	5.5	87%	3.5	84%	0.04	1.0%	0.01	0.02	73%
● Upstream (E&P)		1.2	1.0	84%	0.6	79%	0.01	2.1%	0.00	0.01	78%
● Midstream (Storage/Transportation)		1.8	1.6	86%	0.9	85%	0.00	0.3%	0.00	-	36%
● Downstream (Refining, petrochemical)		1.2	0.9	81%	0.7	81%	0.01	1.4%	0.00	0.01	58%
● Integrated Oil & gas (Majors, state-owned companies, etc.)		2.0	1.8	95%	1.1	94%	0.00	0.4%	-	0.00	100%
● Service (Drilling, field services)		0.3	0.2	50%	0.1	38%	0.01	3.7%	0.00	0.00	84%
● Other resources (Mining)		0.8	0.8	89%	0.4	82%	0.00	0.9%	0.00	0.00	72%
Non-Japanese		7.3	6.3	87%	3.9	84%	0.04	1.0%	0.01	0.02	73%
Oil and Gas		1.0	0.9	95%	0.6	96%	-	-	-	-	-
● Other resources (Mining)		0.2	0.2	100%	0.1	100%	-	-	-	-	-
Japanese		1.2	1.1	96%	0.6	96%	-	-	-	-	-

● Oil & gas : Corporate finance 75%, Project finance 25%

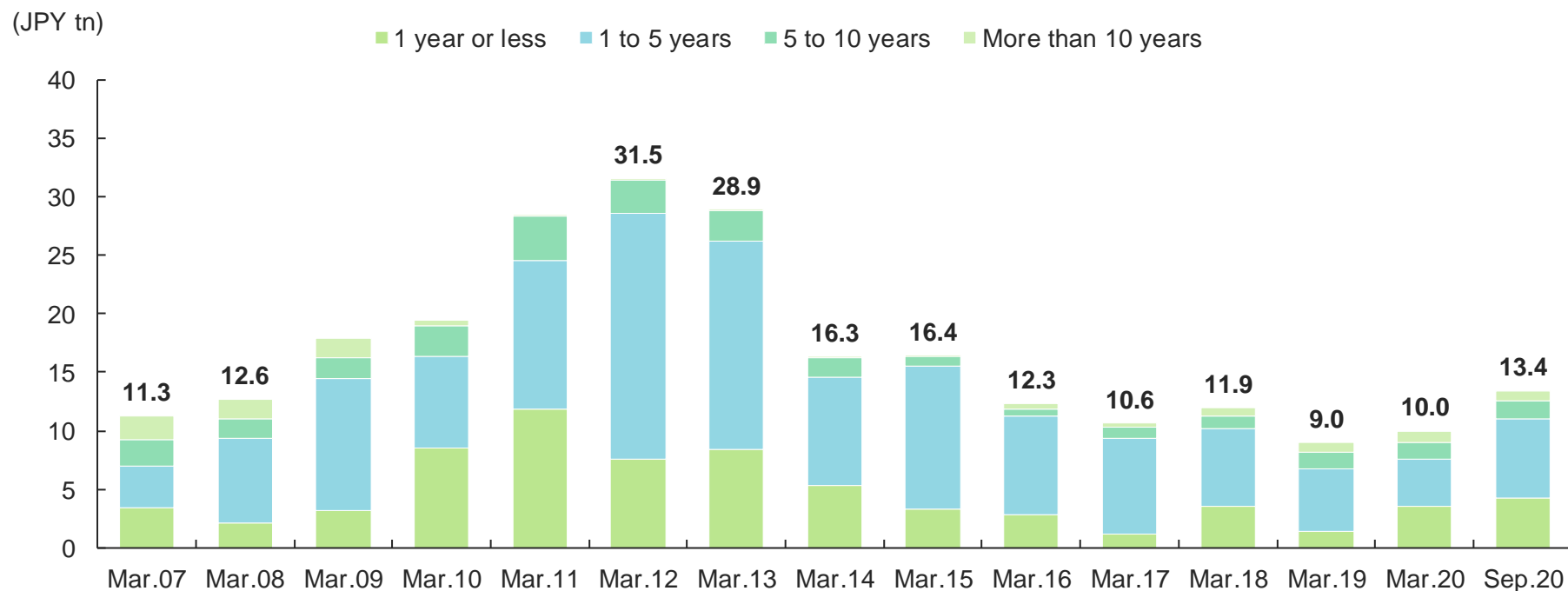
● Other resources : Corporate finance 93%, Project finance 7%

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

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

Yen bond portfolio

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



of which JGBs
(JPY tn)

13.8 14.0 9.8 8.0 9.3 6.3 7.1 10.3

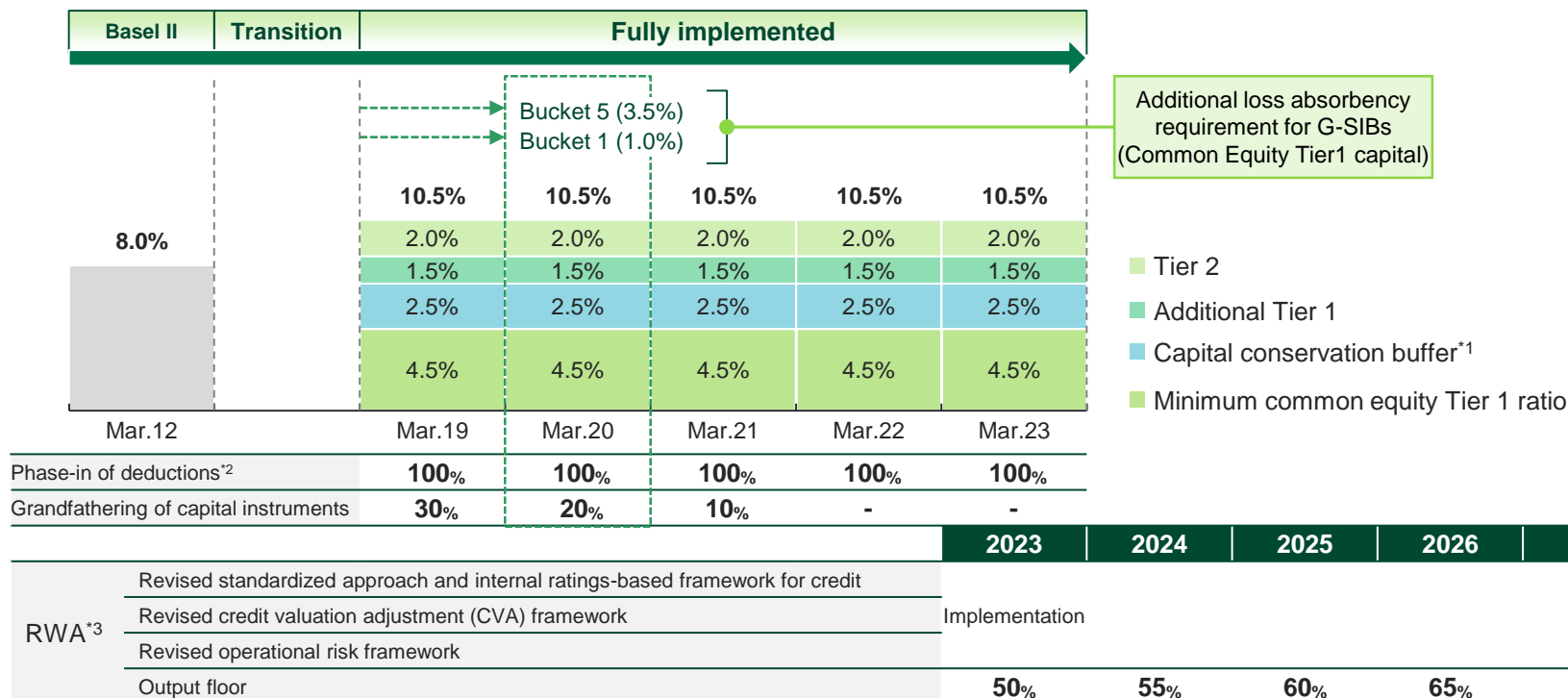
Average duration (years) ^{*1}	1.7	2.4	1.8	1.1	1.4	1.9	1.8	1.1	1.8	2.8	2.9	2.3	3.2	2.9	2.6
Unrealized gains (losses) (JPY bn) ^{*2}	(151.4)	(129.5)	(1.2)	116.1	71.9	104.4	95.3	60.0	45.9	103.8	57.5	44.2	60.5	21.4	23.5

*1 Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero. Duration at Mar. 02 is for JGB portfolio only

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

Application of Basel III

Capital requirements



Leverage ratio and liquidity rules

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

*1 Countercyclical buffer (CCyB) omitted

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

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

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

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

(As of Oct. 31, 2020)

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

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

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

(As of Oct. 31, 2020)

Moody's	Moody's		S&P		Fitch		S&P Fitch
Aaa							AAA
Aa1							AA+
Aa2							AA
Aa3					<div><div></div> Bank of New York Mellon</div>	<div><div></div> JPMorgan <div></div> State Street</div>	AA-
A1	<div><div>SMFG</div><div><div></div> Bank of New York Mellon</div></div>	<div><div></div> <i>Mizuho</i> <div></div> <i>MUFG</i> <div></div> State Street</div>			<div><div></div> Bank of America <div></div> Groupe BPCE <div></div> HSBC</div>	<div><div></div> ING <div></div> UBS <div></div> Wells Fargo</div>	A+
A2	<div><div></div> Bank of America <div></div> HSBC <div></div> JPMorgan <div></div> Morgan Stanley</div>	<div><div></div> Standard Chartered <div></div> Wells Fargo</div>	<div><div></div> Bank of New York Mellon</div>	<div><div></div> State Street</div>	<div><div>SMFG</div><div><div></div> Barclays <div></div> Citigroup <div></div> Goldman Sachs</div></div>	<div><div></div> Morgan Stanley <div></div> Standard Chartered</div>	A
A3	<div><div></div> Citigroup <div></div> Goldman Sachs</div>	<div><div></div> UBS</div>	<div><div>SMFG</div><div><div></div> Bank of America <div></div> HSBC <div></div> ING <div></div> JPMorgan</div></div>	<div><div></div> <i>Mizuho</i> <div></div> <i>MUFG</i> <div></div> UBS</div>	<div><div></div> Credit Suisse <div></div> <i>MUFG</i> <div></div> <i>Mizuho</i></div>		A-
Baa1	<div><div></div> ING</div>		<div><div></div> Citigroup <div></div> Credit Suisse <div></div> Goldman Sachs</div>	<div><div></div> Morgan Stanley <div></div> Standard Chartered <div></div> Wells Fargo</div>			BBB+
Baa2	<div><div></div> Barclays <div></div> Credit Suisse</div>		<div><div></div> Barclays</div>				BBB
Baa3							BBB-
Ba1							BB+
Ba2							BB

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