

Investors Meeting FY 3/2021

May 18, 2021



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)

	Mar.20	Mar. 21
USD	JPY 108.81	JPY 110.71
EUR	JPY 119.52	JPY 129.75

Definitions

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

Agenda

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I. Financial Results

Income statement

Both consolidated net business profit and profit attributable to owners of parent exceeded the target.
Consolidated net business profit reached the same level as last year.

	(JPY bn)	FY3/21	YoY	vs. Target
1	Consolidated gross profit	2,806.2	+37.6	
2	G&A expenses	1,747.1	+7.5	
	Overhead ratio	62.3%	(0.5)%	
3	Equity in gains (losses) of affiliates	25.0	(31.1)	
4	Consolidated net business profit	1,084.0	(1.0)	+114.0
5	Total credit cost	360.5	+189.9	(89.5)
6	Gains (losses) on stocks	92.6	+12.1	
7	Other income (expenses)	(105.0)	(42.2)	
8	Ordinary profit	711.0	(221.0)	+161.0
9	Extraordinary gains (losses)	(38.8)	+4.6	
10	Income taxes	156.3	(11.3)	
11	Profit attributable to owners of parent	512.8	(191.1)	+112.8
12	ROE	5.4%	(2.2)%	

Consolidated gross profit: increased YoY due to the strong performance of the wealth management business and overseas securities business, as well as the nimble portfolio management in Global Market Business unit. On the other hand, the credit card and consumer finance businesses were sluggish due to low domestic consumption.

G&A expenses: increased YoY mainly in the overseas business, while operating cost was reduced because of COVID-19 and by executing cost control initiatives.

Equity in gains of affiliates: decreased YoY mainly due to lower profits in SMBCAC and affiliates in Asia.

Total credit cost: increased YoY due to COVID-19 both in the domestic and overseas businesses including making forward-looking provisions for possible losses.

Gains on stocks: increased YoY due to higher gains on ETFs sales and lower losses on stock devaluations, despite lower gains on sales of strategic shareholdings (JPY 65 bn, YoY JPY (36) bn.)

Other income: decreased YoY due to the loss from forward dealings which aim to mitigate risk of stock prices.

Extraordinary losses: recorded goodwill impairment at SMDAM (JPY (31) bn).

(Ref.) Group companies

SMBC

	(JPY bn)	FY3/21	YoY	vs. Target
1 Gross banking profit		1,481.7	+69.7	
2 o/w Net interest income		936.4	+58.3	
3 o/w Gains (losses) on cancellation of investment trusts		33.8	+9.8	
4 Domestic		583.5	+21.8	
5 Overseas		352.9	+36.4	
6 o/w Net fees and commissions		330.7	+7.4	
7 Domestic		176.2	(6.2)	
8 Overseas		154.6	+13.6	
9 o/w Net trading income+ Net other operating income		212.5	+4.0	
10 o/w Gains (losses) on bonds		80.0	+5.8	
11 Expenses		816.5	+8.4	
12 Banking profit		665.2	+61.2	+145.2
13 Total credit cost		242.7	+193.1	(47.3)
14 Gains (losses) on stocks		63.5	+11.7	
15 Extraordinary gains (losses)		(49.9)	+72.3	
16 Net income		338.0	+20.7	+168.0

Other major group companies

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

	(JPY bn)	SMBC Nikko ^{*1}	SMCC	SMBCCF
Gross profit		424.5 +63.6	385.6 (34.5)	259.7 (14.7)
Expenses		307.8 +2.7	317.3 (10.8)	110.6 (3.3)
Net business profit		116.7 +60.9	68.7 (23.6)	149.1 (11.4)
Net income		92.6 +48.0	35.8 (2.4)	54.1 (36.0) ^{*2}

(Equity method affiliate)

	SMBC Trust	SMDAM	50%	SMFL ^{*5}	50%
Gross profit	40.2 (9.2)	34.1 (1.0)		176.8 +3.4	
Expenses	43.9 (4.6)	32.3 +0.3		85.7 +1.0	
Net business profit	(3.7) (4.6)	1.8 (1.3)		95.2 +3.7	
Net income	(8.5) +24.2 ^{*3}	(28.0) (29.0) ^{*4}		33.6 (27.6)	

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

*2 The absence of increased tax effect recorded last year *3 The absence of goodwill impairment loss recorded last year

*4 Goodwill impairment loss *5 Managerial accounting basis

FY3/2022 target

Consolidated

(JPY bn)	Results FY3/21	Target	
		FY3/22	1H
Consolidated net business profit	1,084.0	① 1,120	550
Total credit cost	360.5	② 300	160
Ordinary profit	711.0	880	430
Profit attributable to owners of parent	512.8	③ 600	300



① Consolidated net business profit	YoY increase of JPY 36 bn due to the smaller negative impact of COVID-19 and the profit increase in RT/WS/GB business units, while the profit of GM business unit is expected to return to a normalized level.
② Total credit cost	JPY 300 bn, considering the uncertainty of COVID-19 continues.
③ Profit attributable to owners of parent	JPY 600 bn (YoY JPY +87.2 bn) due to the absence of goodwill impairment recorded in FY3/21 on top of the changes in net business profit and credit cost.

Non-consolidated

(JPY bn)	Results FY3/21	Target	
		FY3/22	1H
Banking profit	665.2	615	290
Total credit cost	242.7	170	100
Ordinary profit	436.1	530	240
Net income	338.0	370	170

COVID-19 impact (1) Summary

Negative impact of COVID-19 was smaller than our original forecast in FY3/21.
It is expected to be smaller YoY in FY3/22, while the uncertain environment continues.

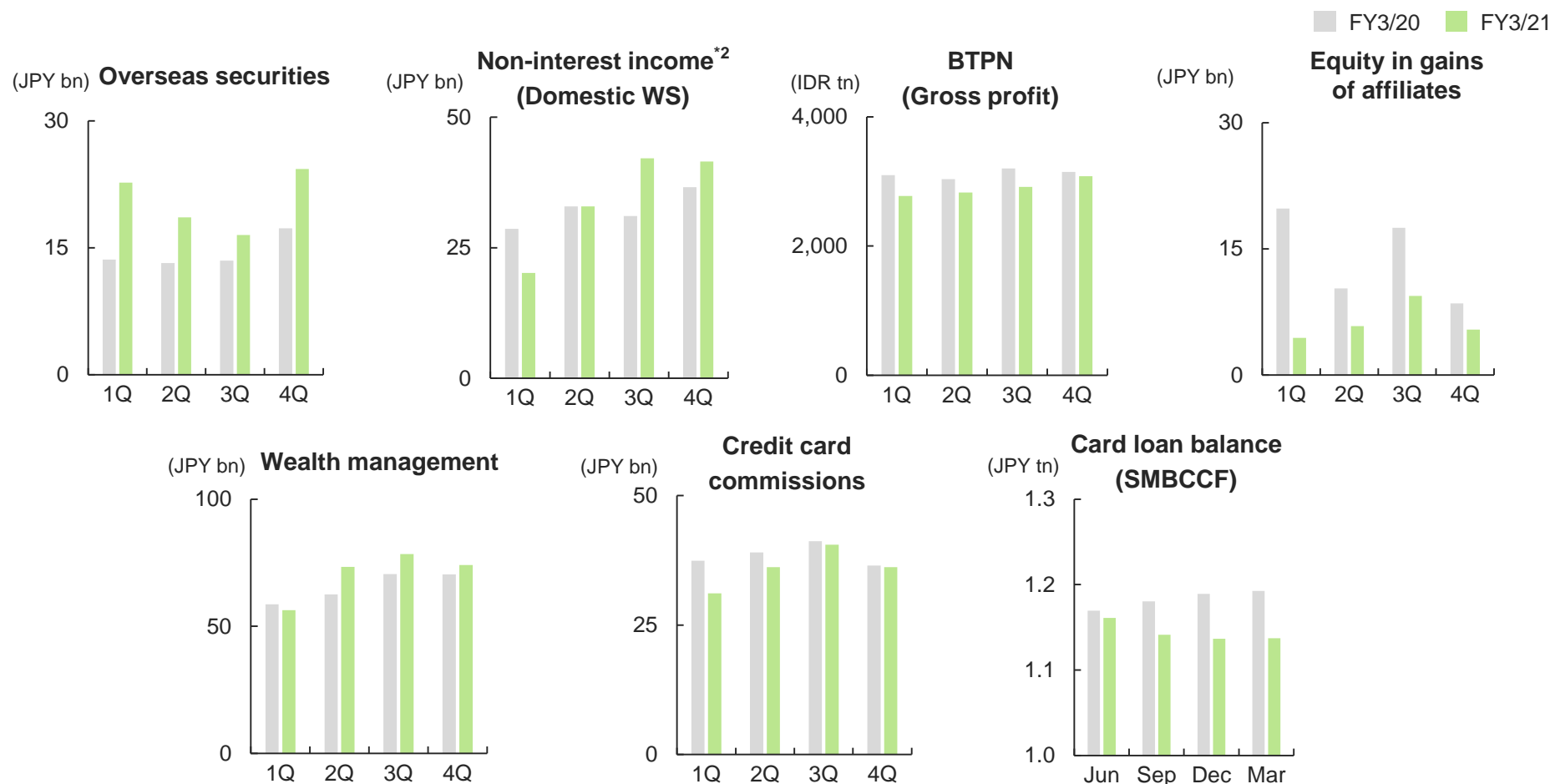
	FY3/21					FY3/22	
	COVID-19 impact A	Forecast B	COVID-19 impact C	Others D	Actual E	COVID-19 impact F	Forecast G
(JPY bn)							
Consolidated net business profit	(170)	970	(100)	① +44	1,084.0	(70)	1,120
Total credit cost	+260	450	+170	(270) ⁻	360.5	+100	(170) ⁻ 300
Profit attributable to owners of parent	(310)	400	(190)	-	512.8	(120)	600
RWA	Cumulative JPY +5 tn	JPY 92 tn	Cumulative JPY +3 tn		JPY 92 tn	Cumulative JPY +3 tn	JPY 93 tn
CET1 ratio (change)	(0.5)%	9.5%	(0.3)%		9.8%		
COVID-19 impact figures are rough estimates.							
OHR	FY3/20 62.8%		FY3/21 62.3%				

① Mainly due to the strong performance in GM business unit.

COVID-19 impact (2) Business line breakdown

Many of our businesses have been recovering since 2H of FY3/21.

Monthly average net business profit ^{*1} in RT/WS/GB increased from JPY 73 bn in 1H to JPY 87 bn in 2H.



Positive

Impact of COVID-19

Negative

^{*1} Calculated with the FX rates assumption in medium-term management plan (USD 1=JPY 105)

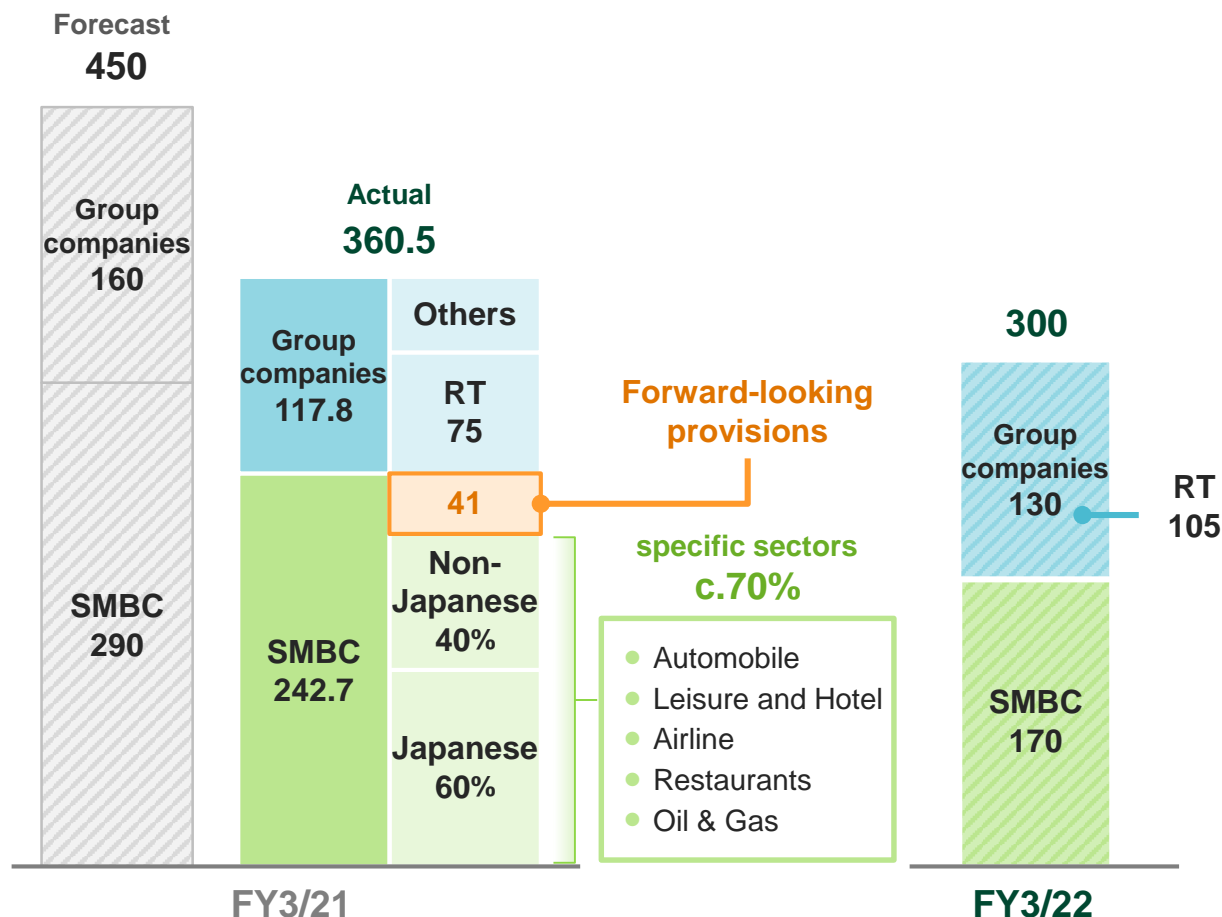
^{*2} Syndicated loans, structured finance, real estate finance and securities business

COVID-19 impact (3) Credit cost

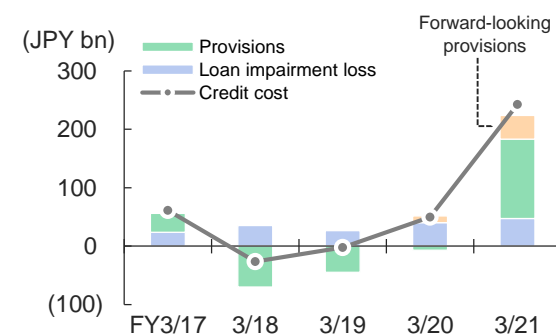
70% of credit cost came from specific sectors in FY3/21.

Made forward-looking provisions by identifying sectors that are expected to be highly impacted by COVID-19.

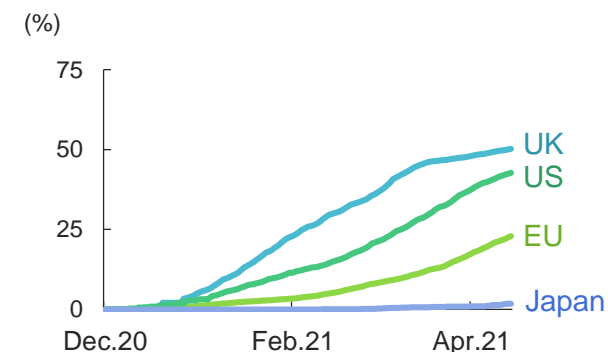
(JPY bn)



Breakdown of credit cost (SMBC)



COVID-19 vaccination rate



COVID-19 impact (4) Aircraft leasing

Focus on sustainable growth as demand for domestic flight recovers.

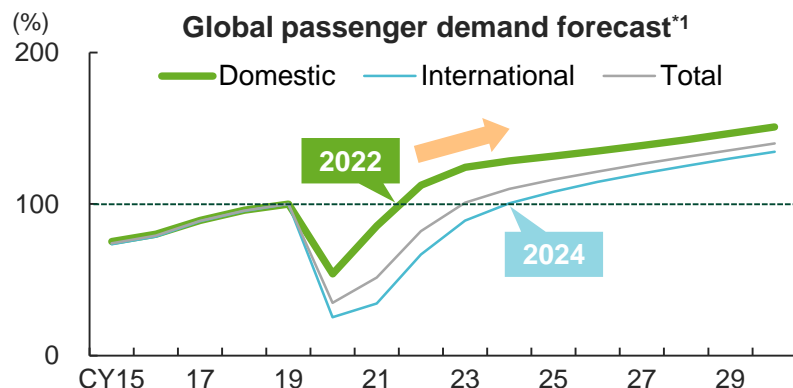
Financial results

Maintained positive net income despite COVID-19

SMBCAC

(USD mn)	FY3/20	FY3/21	YoY
Lease income	1,135	1,119	(16)
Credit / Asset impairment charges	32	334	+302
Net income	334	17	(317)

Domestic demand is expected to recover by 2022



Initiatives

Aircraft Portfolio

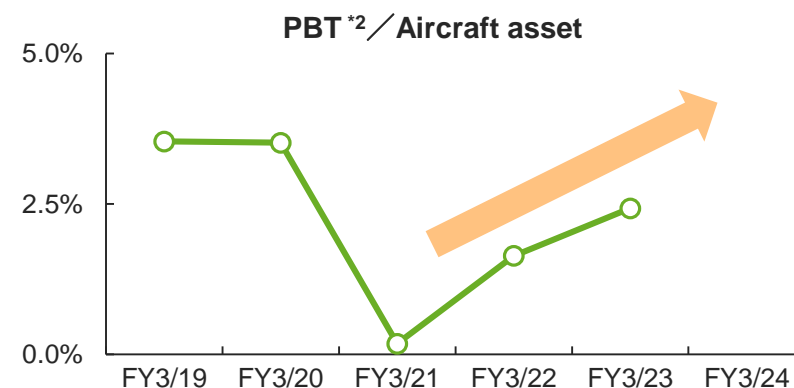


Liquidity

S&P rating **A-**
No.1 in industry

Undrawn commitment lines
USD 4.5 bn

Improve asset efficiency by focusing on profitability

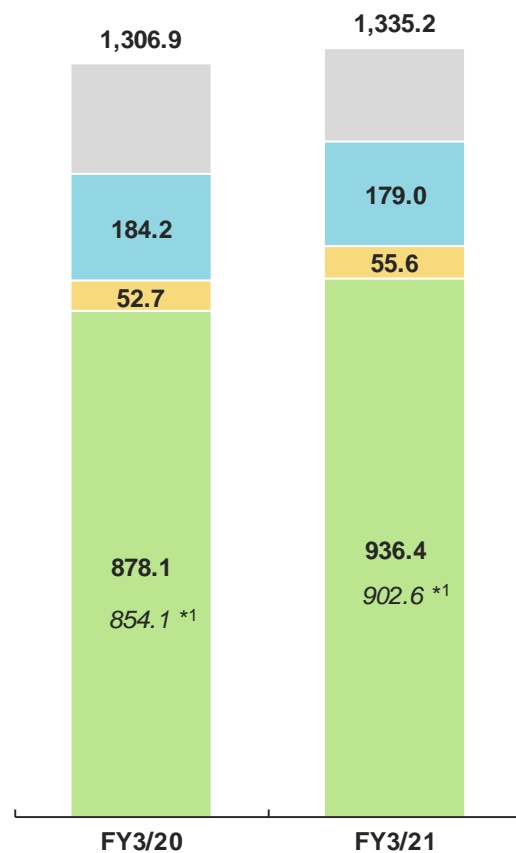


Consolidated gross profit

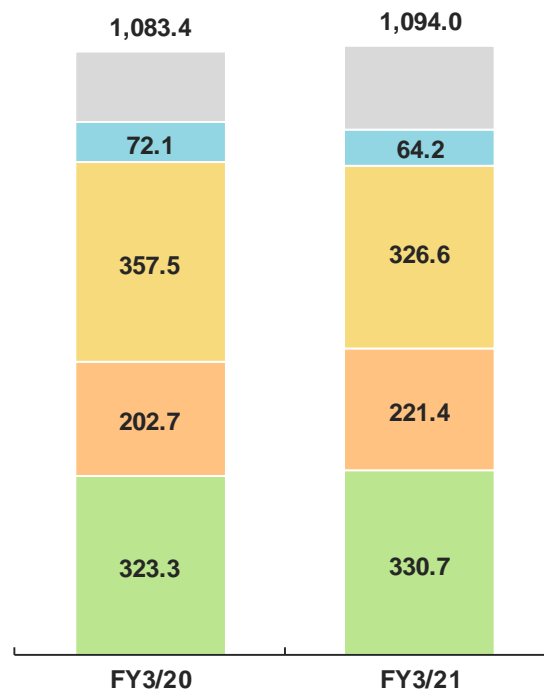
■ SMBC ■ SMBC Nikko ■ SMCC ■ SMBCCF ■ Others

Net interest income

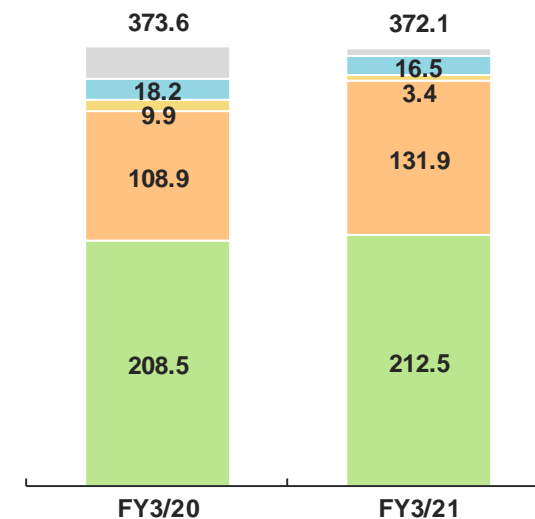
(JPY bn)



Net fees and commissions



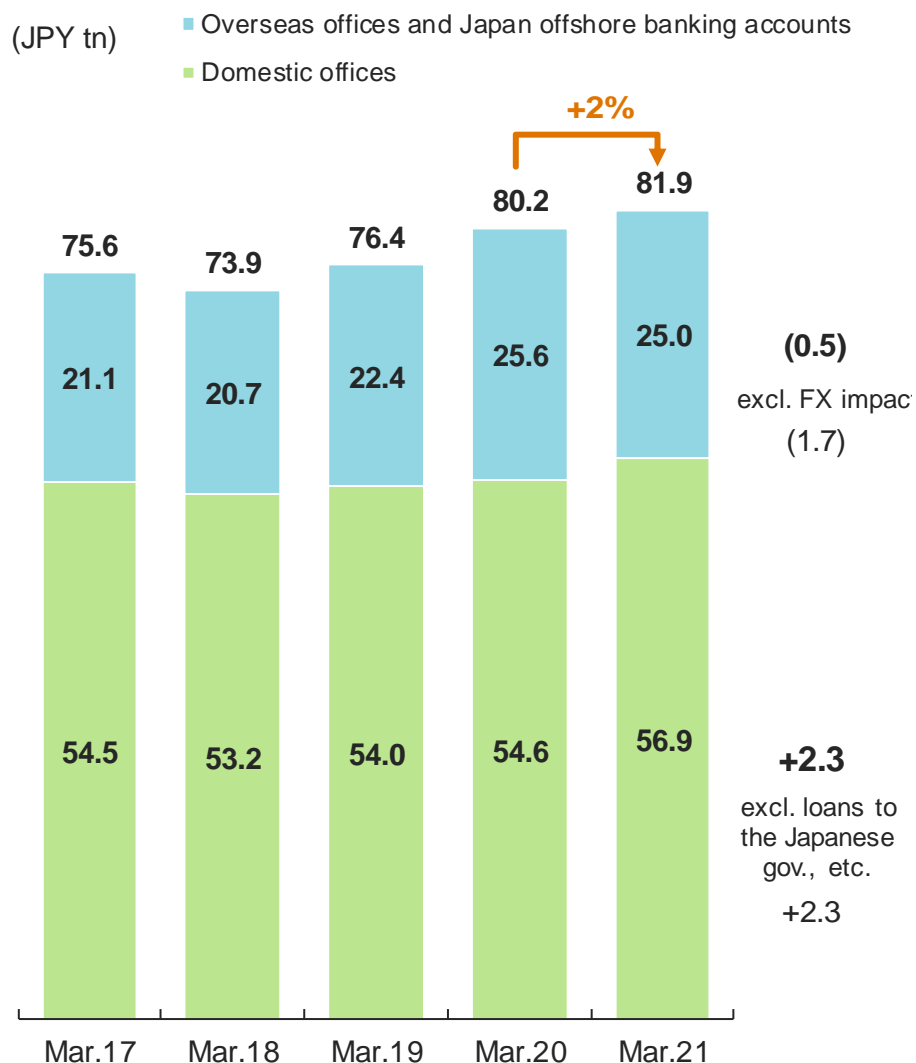
Net trading income + Net other operating income



*1 Excluding gains on cancellation of investment trusts

Loans*1

Loan balance



Domestic loan-to-deposit spread

	FY3/21	YoY	1H	2H
(%)				
Interest earned on loans and bills discounted	0.84	(0.07)	0.83	0.84
Interest paid on deposits, etc.	0.00	(0.00)	0.00	0.00
Loan-to-deposit spread	0.84	(0.07)	0.83	0.84
(Ref.) Excludes loans to the Japanese government, etc.				
Interest earned on loans and bills discounted	0.86	(0.07)	0.86	0.86
Loan-to-deposit spread	0.86	(0.07)	0.86	0.86

Average loan balance and spread*2

	Balance (JPY tn)		Spread (%)	
	FY3/21	YoY*4	FY3/21	YoY
Domestic loans	56.4	+4.0	0.70	(0.03)
Excluding loans to the Japanese government, etc.	53.7	+3.9	0.73	(0.04)
o/w Large corporations	19.3	+3.4	0.50	(0.03)
Mid-sized corporations & SMEs	18.8	+1.2	0.60	(0.03)
Individuals	12.3	(0.6)	1.42	(0.04)
GBU's interest earning assets*3	338.8 USD bn	+25.3 USD bn	1.16	+0.06

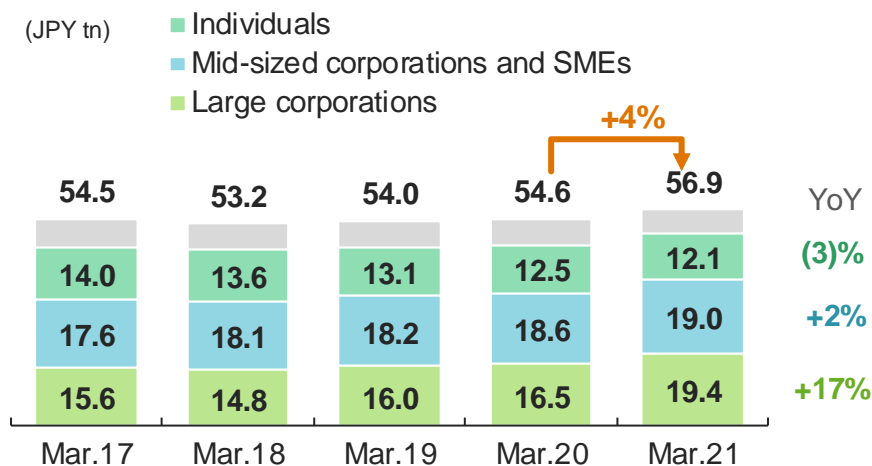
*1 Non-consolidated *2 Managerial accounting basis

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

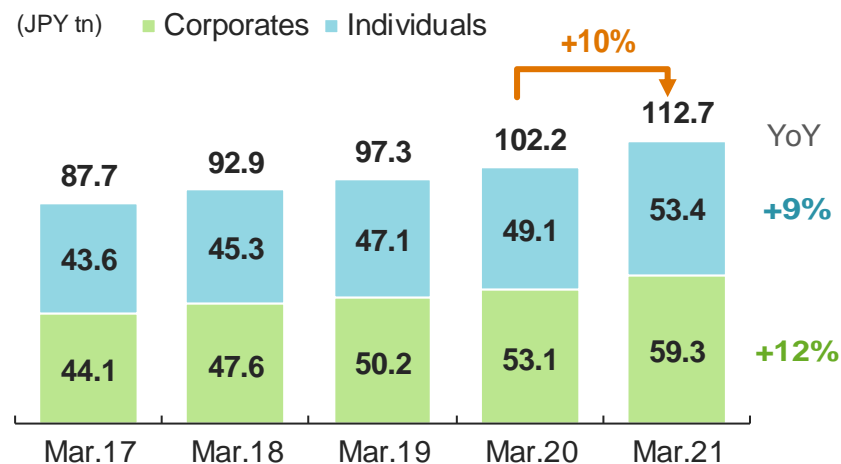
*4 After adjustments for exchange rates, etc.

Domestic loans and deposits*1

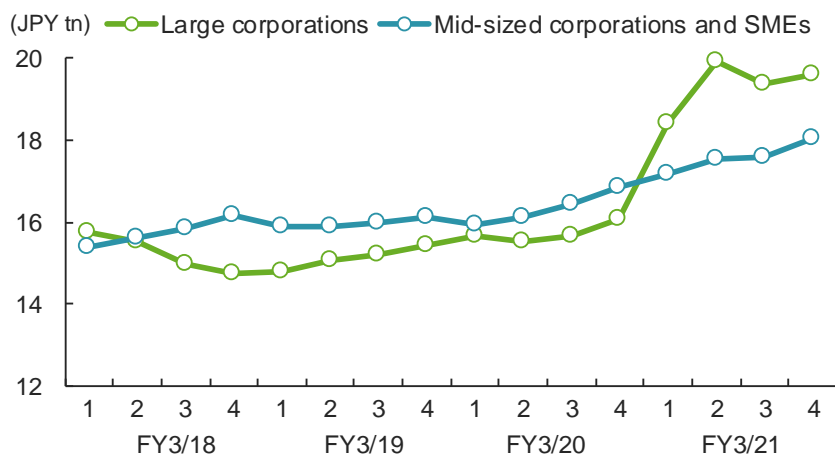
Loan balance*2



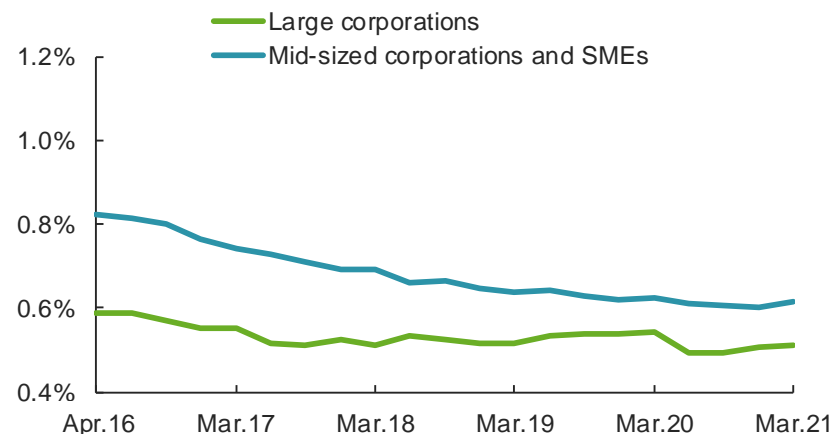
Deposit balance



Loan average balance for corporates*2,3



Loan spread for corporates*2,4



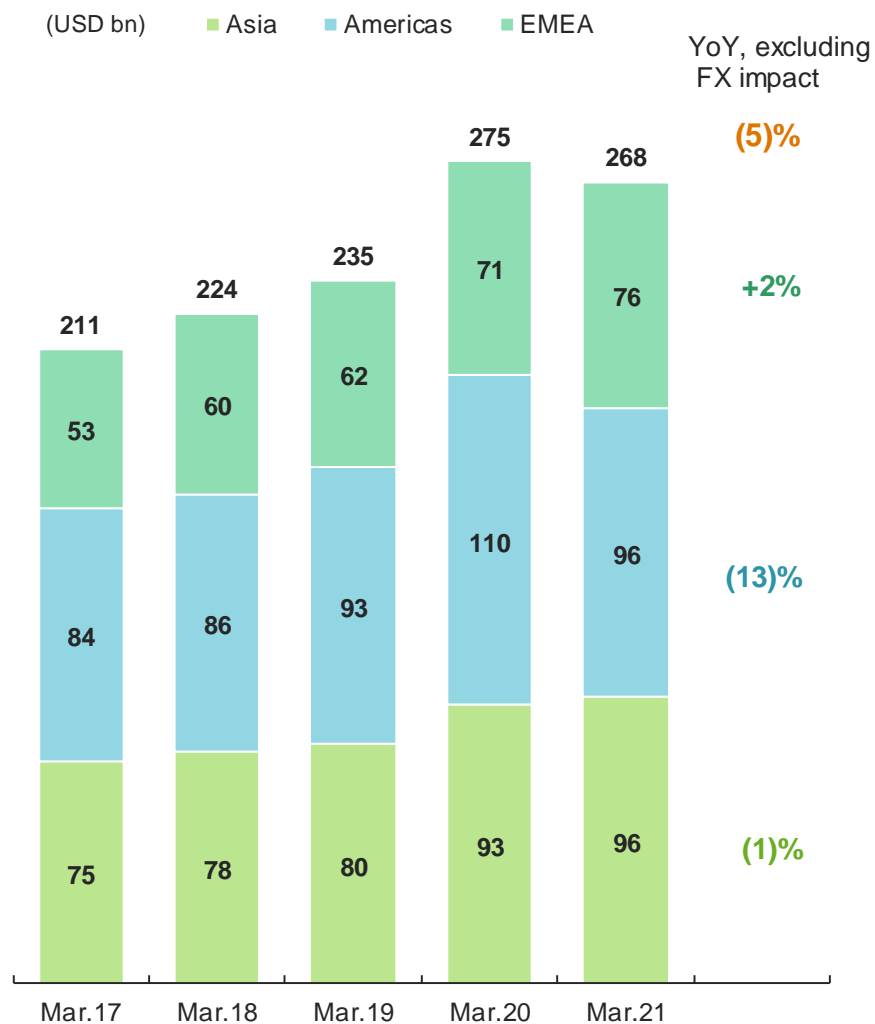
*1 Non-consolidated *2 Managerial accounting basis *3 Quarterly average, excluding loans to the Japanese government.

Figures for SMEs excludes the outstanding balance of Corporate banking division

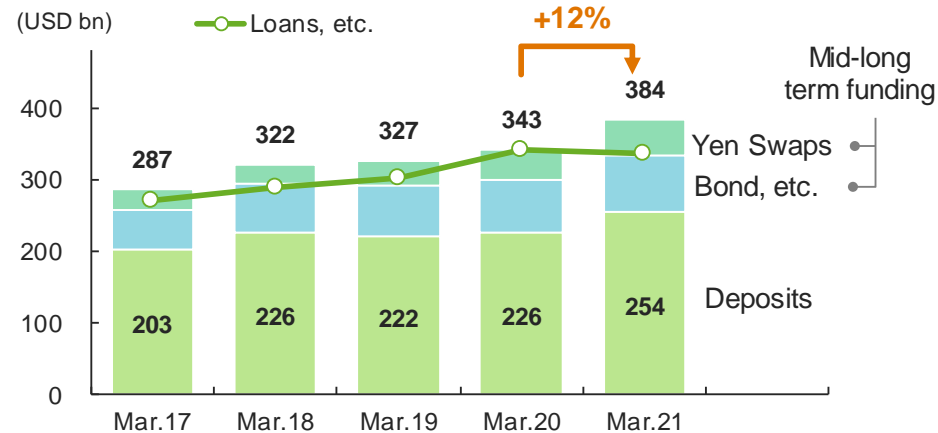
*4 Loan spread of existing loans, excluding loans to the Japanese government

Overseas loans and deposits*1

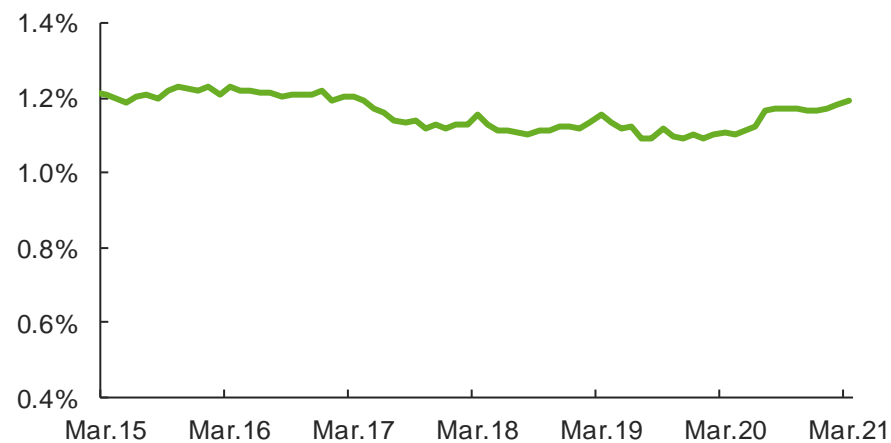
Loan balance



Foreign currency balance



Loan spread*2

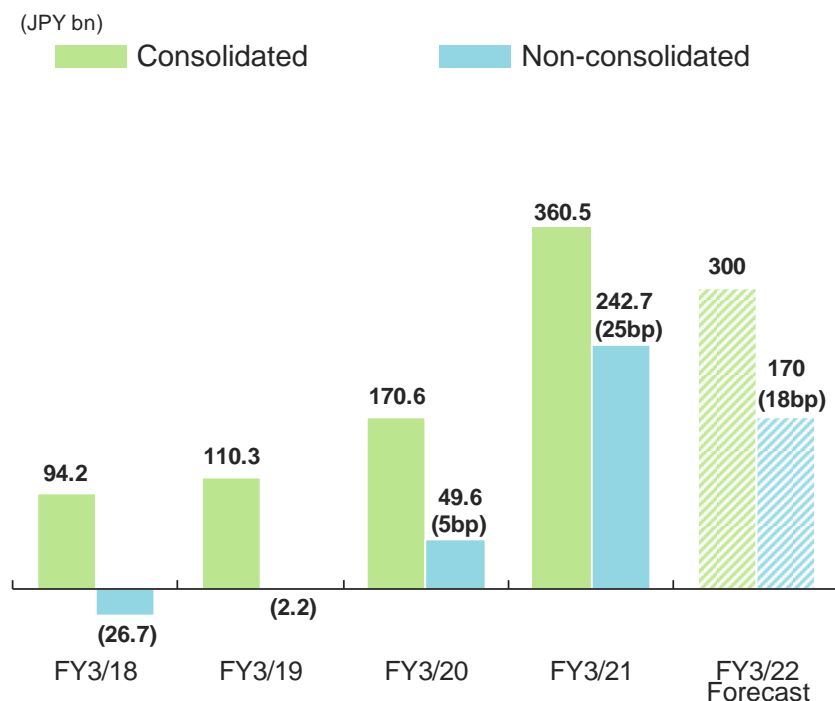


*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

*2 Monthly average loan spread of existing loans

Asset quality

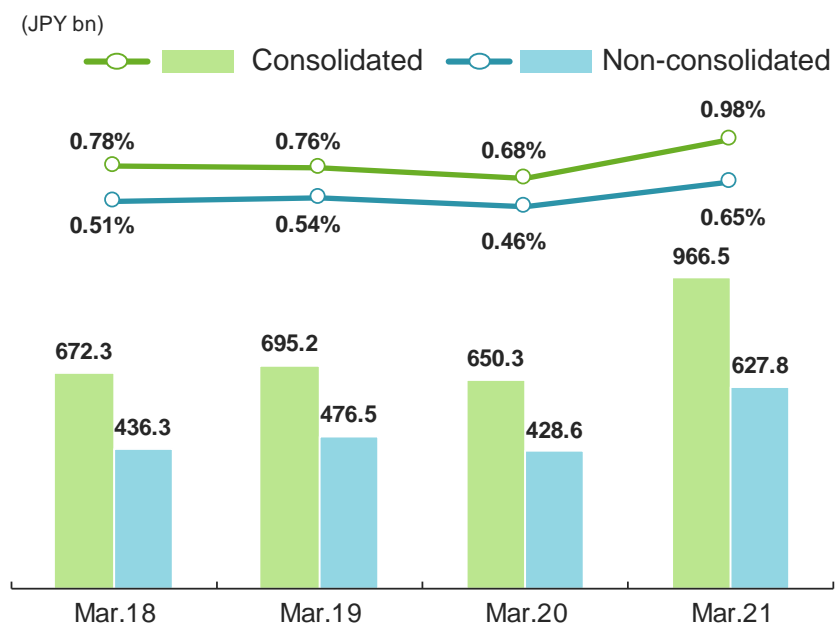
Credit costs^{*1}



Major group companies

(JPY bn)	FY3/21	YoY
SMBCCF	52	(21)
SMCC	22	(10)

Non-performing loan balance^{*2}



Total claims

	(JPY tn)		
Consolidated	91	96	99
Non-consolidated	89	93	96

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

Non-consolidated	0.8	0.9	1.9
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*1 Total credit cost ratio = Total credit cost / Total claims

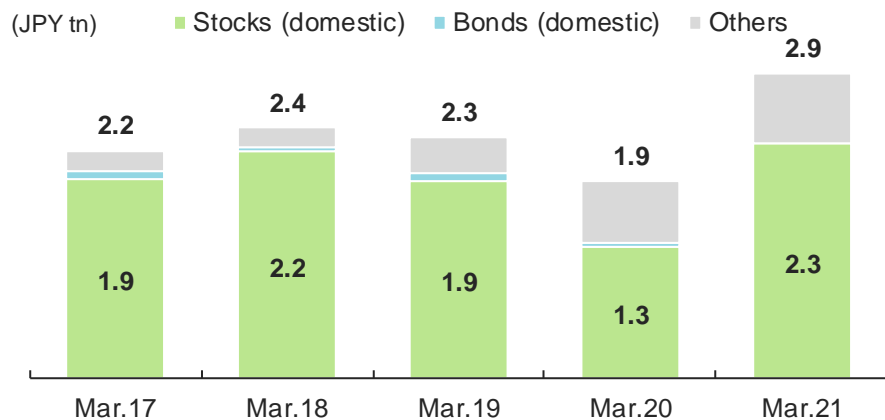
*2 NPL ratio = NPLs based on the Financial Reconstruction Act (excluding normal assets) / Total claims

Securities (1)

Breakdown of other securities (consolidated)

(JPY bn)	B/S amount		Unrealized gains (losses)	
	Mar.21	vs Mar.20	Mar.21	vs Mar.20
Total	36,411.2	+9,762.0	2,931.8	+1,039.5
Stocks (domestic)	3,693.3	+956.5	2,255.6	+986.1
Bonds (domestic)	17,655.2	+7,587.8	8.0	(13.5)
o/w JGBs	14,293.6	+7,205.7	(14.1)	(6.9)
Others	15,062.7	+1,217.7	668.2	+66.9
o/w Foreign bonds	12,110.1	+460.6	1.3	(254.3)

Unrealized gains

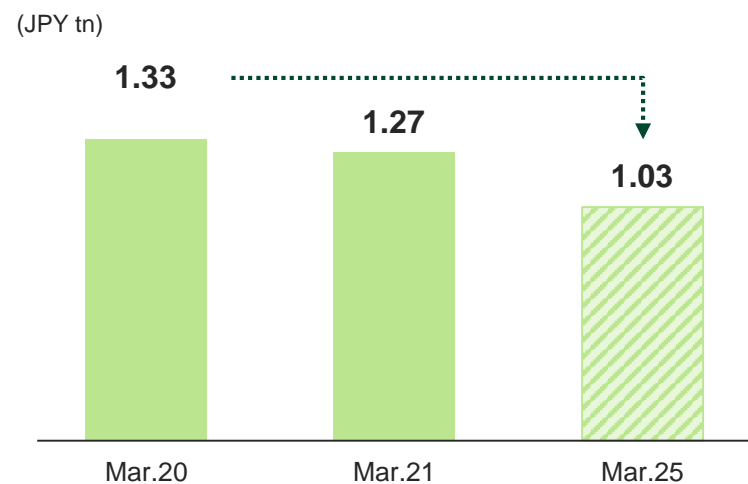


Strategic shareholdings

Progress as of Mar.21	Reduction	JPY 55 bn
	Consent of sales from clients outstanding	JPY 54 bn
		JPY 109 bn

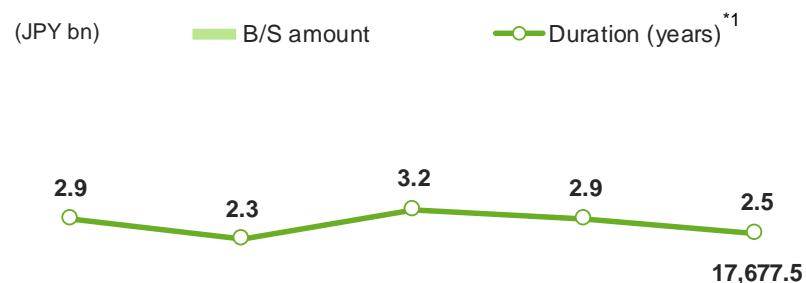
Reduction plan

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



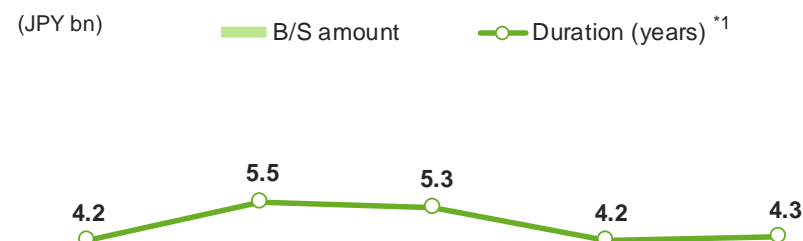
Securities (2)

Yen-denominated bonds (consolidated)



Unrealized gains(losses)	46.5	61.3	21.7	8.0
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Foreign bonds (consolidated)



Unrealized gains(losses)	(159.4)	(28.4)	255.7	1.3
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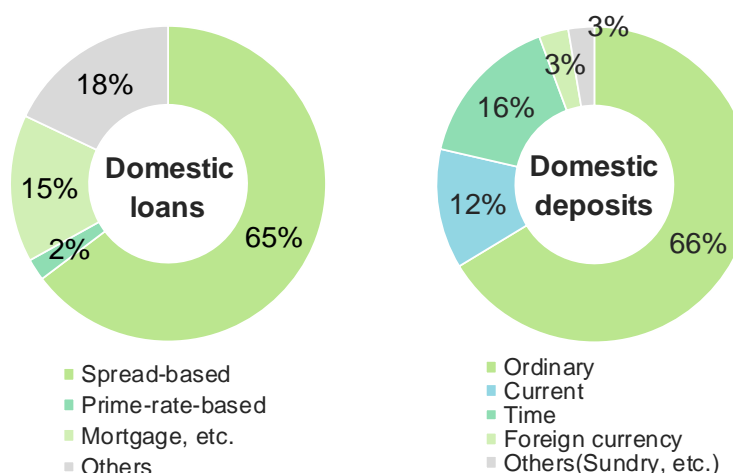
*1 Non-consolidated. Excluding bonds classified as held-to-maturity, bonds for which hedge-accounting is applied, and private placement bonds. Duration of 15-year floating rate JGBs is regarded as zero.

Balance sheet

Consolidated

(JPY tn)	Mar. 21	vs Mar.20
Total assets	242.6	+22.7
o/w Cash and due from banks	72.6	+10.8
o/w BOJ's current account balance ^{*1}	59.8	+11.1
o/w Loans	85.1	+2.6
o/w Domestic loans ^{*1}	56.9	+2.3
o/w Large corporations ^{*2}	19.4	+2.9
うち Mid-sized corporations & SMEs ^{*2}	19.0	+0.4
うち Individuals ^{*2}	12.1	(0.3) ^{*3}
o/w Securities	36.5	+9.4
o/w Other securities	36.4	+9.8
o/w Stocks	3.7	+1.0
うち JGBs	14.3	+7.2
うち Foreign bonds	12.1	+0.5
Total liabilities	230.7	+21.6
o/w Deposits	142.0	+15.0
o/w Domestic deposits ^{*1}	112.7	+10.5
Individuals	53.4	+4.4
Corporates	59.3	+6.1
o/w NCD	12.6	+2.4
Total net assets	11.9	+1.1
Loan to deposit ratio	55.1%	

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



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

(USD bn)	
Interest earning assets 338	Deposits (incl. deposits from central banks) 254
Others 136	Mid-long term funding (incl. corporate bonds, currency swaps, etc.) 130
Foreign bonds, NCD 73	CD/CP 70
	Interbank (incl. Repo) 93
Assets / Liabilities 547	

^{*1} Non-consolidated ^{*2} Managerial accounting basis ^{*3} After adding back the portion of housing loans securitized in FY3/21 of JPY101.7bn ^{*4} Sum of SMBC and major local subsidiaries

Capital / RWA

	Mar. 21	Requirement ^{*1}
Capital ratio		
Total capital ratio	18.61%	11.5%
CET1 ratio (Basel III fully-loaded basis)	16.00%	8%
excl. OCI	12.8%	-
CET1 ratio (Post-Basel III reforms)	11.5%	8%
excl. OCI	9.8%	-
External TLAC ratio		
RWA basis	25.82%	16%
Leverage exposure basis	9.77%	6%
Leverage ratio	5.65%	3%
LCR (Average 4Q FY3/21)	140.1%	100%

(JPY bn)	Mar. 20	Mar. 21
Total capital	11,552.0	12,289.3
Tier1 capital	10,249.9	11,199.3
o/w CET1 capital	9,581.3	10,562.8
Tier2 capital	1,302.1	1,090.0
External TLAC	18,162.0	19,373.3
Risk-weighted assets	61,599.1	66,008.0
Leverage exposure	237,488.7^{*2}	198,170.8

*1 Excluding countercyclical buffer

*2 Including deposits with the Bank of Japan

Results by business unit (1)

	ROCE ¹			Net business profit (JPY bn)			RWA (JPY tn)		
	FY3/21	YoY ²	FY3/23 Target ³	FY3/21	YoY ²	FY3/23 Target ³	FY3/21	YoY ²	FY3/23 Target ³
Retail	9.4%	+1.6%	12%	219.2	(24.4)	305	12.3	+0.1	+0.4
Wholesale	5.6%	(4.6)%	9%	388.5	+21.5	405	33.4	+2.6	+1.1
Global	6.2%	(1.3)%	9%	366.7	+3.9	430	35.6	(0.1)	+2.5
Global Markets	20.4%	+0.2%	17%	413.5	+22.0	365	5.4	+0.3	+1.7

*1 Excluding impact from the provision for losses on interest repayments for Retail

Excluding the impact from the medium- to long-term foreign currency funding costs for Wholesale and Global

Including impact from the interest-rate risk associated to the banking account for Global Markets

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

*3 Managerial accounting basis of FY3/21

Results by business unit (2)

Retail

(JPY bn)	FY3/21	YoY ^{*1}
Gross profit	1,127.4	(48.7)
Income on loans and deposits ^{*2}	122.9	(9.1)
Wealth management business	282.2	+20.1
Payment business	386.5	(36.0)
Consumer finance business	292.4	(15.7)
Expenses	910.4	(24.1)
Base expenses	736.8	(15.0)
Net business profit	219.2	(24.4)
ROCET1 ^{*3}	9.4%	+1.6%
RWA (JPY tn)	12.3	+0.1

Wholesale

(JPY bn)	FY3/21	YoY ^{*1}
Gross profit	634.9	+14.8
Income on loans and deposits	211.1	+14.9
FX and money transfer fees	117.6	(6.2)
SMBC Loan syndication	49.6	+12.5
Structured finance	18.6	(7.6)
Real estate finance	9.7	(1.6)
Securities business	59.2	+4.6
Expenses	299.9	(3.7)
Base expenses	292.3	(4.4)
Net business profit	388.5	+21.5
ROCET1 ^{*4}	5.6%	(4.6)%
RWA (JPY tn)	33.4	+2.6

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

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

*4 Excluding med-long-term funding costs

Results by business unit (3)

■ Global

	(JPY bn)	FY3/21	YoY ^{*1}
Gross profit		723.7	+42.9
Income on loans and deposits		300.4	+17.5
Loan related fees		123.4	+7.2
Securities business		82.1	+24.5
Expenses		383.3	+12.4
Base expenses		372.1	+6.5
Net business profit		366.7	+3.9
ROCET1 ^{*2}		6.2%	(1.3)%
RWA (JPY tn)		35.6	(0.1)

■ Global markets

	(JPY bn)	FY3/21	YoY ^{*1}
Gross profit		460.7	+22.1
SMBC's Treasury Unit		325.9	(2.3)
Expenses		82.9	+3.3
Base expenses		79.6	+1.9
Net business profit		413.5	+22.0
ROCET1 ^{*3}		20.4%	+0.2%
RWA (JPY tn)		5.4	+0.3

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

*2 Excluding impact from med-long term funding costs

*3 Including impact from the interest-rate risk associated to the banking account



II . Transformation & Growth

Roadmap to 2022 (1) Financial targets

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

Core Policy

Transformation

Transform
existing businesses

Growth

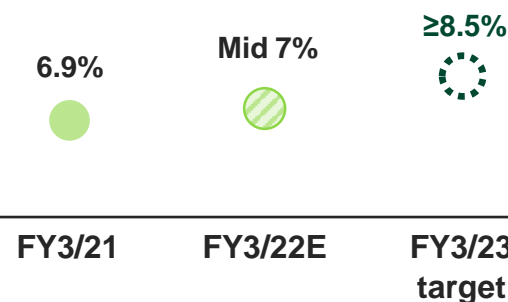
Seek new
growth opportunities

Quality

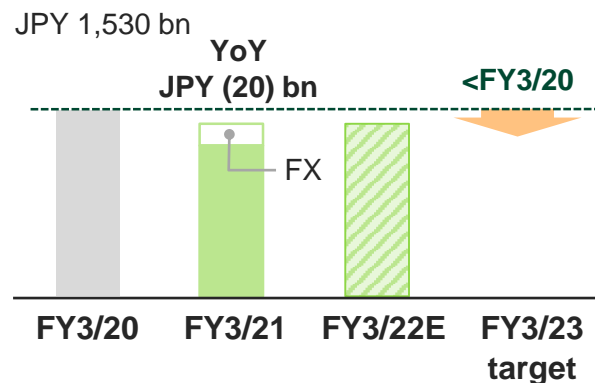
Elevate quality
in all aspects

Financial Targets

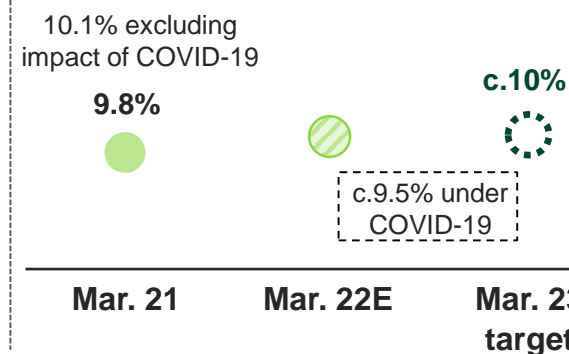
ROCET1



Base expenses^{*1}



CET1 ratio^{*2}

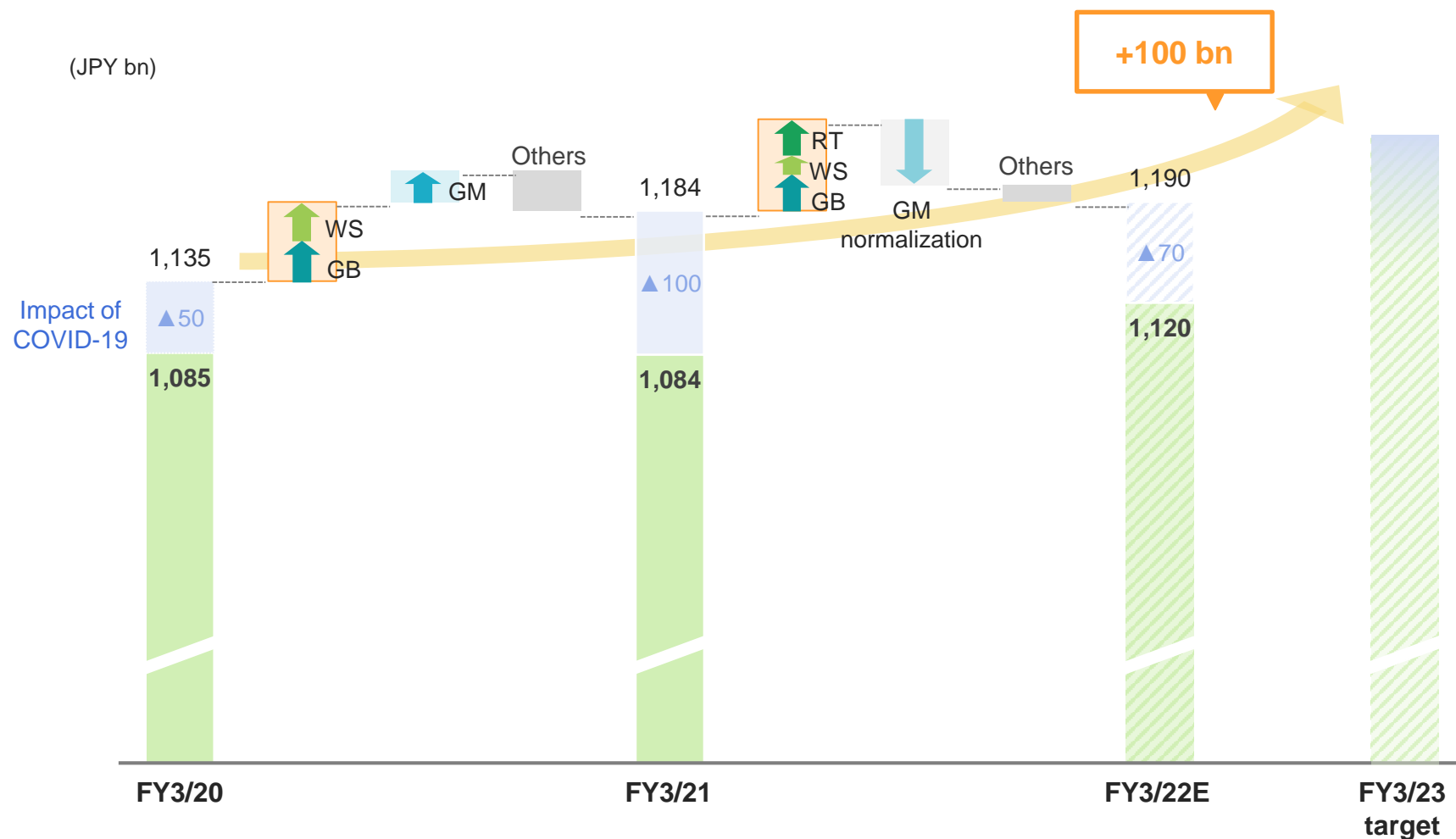


*1 G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others

*2 Post-Basel III reforms basis, excludes OCI

Roadmap to 2022 (2) Consolidated net business profit

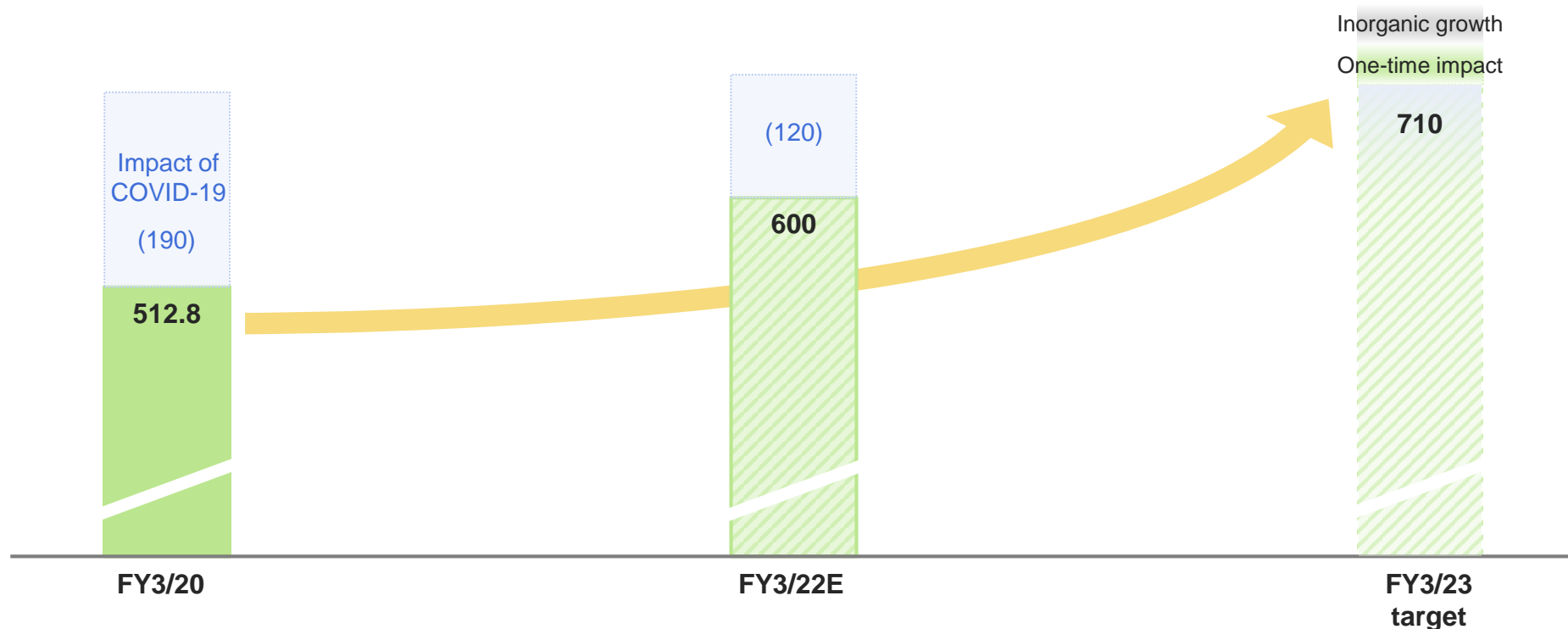
The consolidated net business profit target of JPY +100 bn over the three years remains unchanged. Show a steady progress in FY3/22 by increasing revenue of RT, WS, and GB Business Units.



Roadmap to 2022 (3) Bottom-line profit

The target of bottom-line profit for FY3/23 remains at over 700 bn on a core earnings basis.
Aim 800 bn in the future through inorganic strategy, etc.

(JPY bn)



Seven key strategies

Transformation

Transform existing businesses

1

Pursue sustainable growth of wealth management business

2

Improve productivity and strengthen solutions in domestic WS 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

Adapt to changes in environment and challenges incl. COVID-19

Allocate capital for future growth

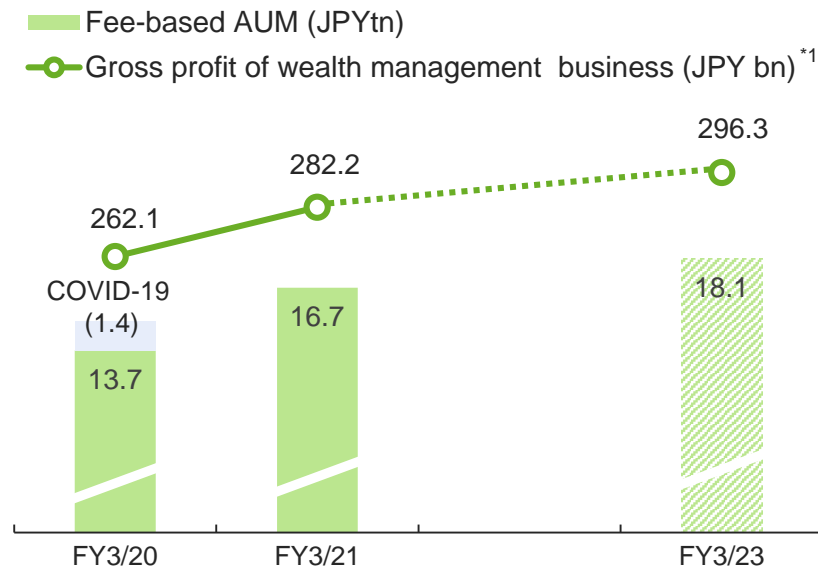
Growth

Seek new growth opportunities

1 Pursue sustainable growth of wealth management business

Accelerate the shift to a sustainable business model by leveraging SMBC group's strength and utilizing digital channels.

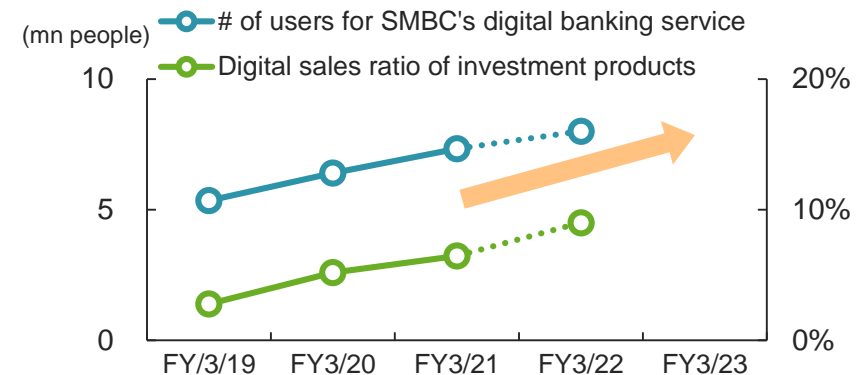
Steady growth of wealth management business



New Head of
Wealth Management
Division

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

Utilize digital channels



Upgrade SMBC app



**Transfer to
product sales
page**

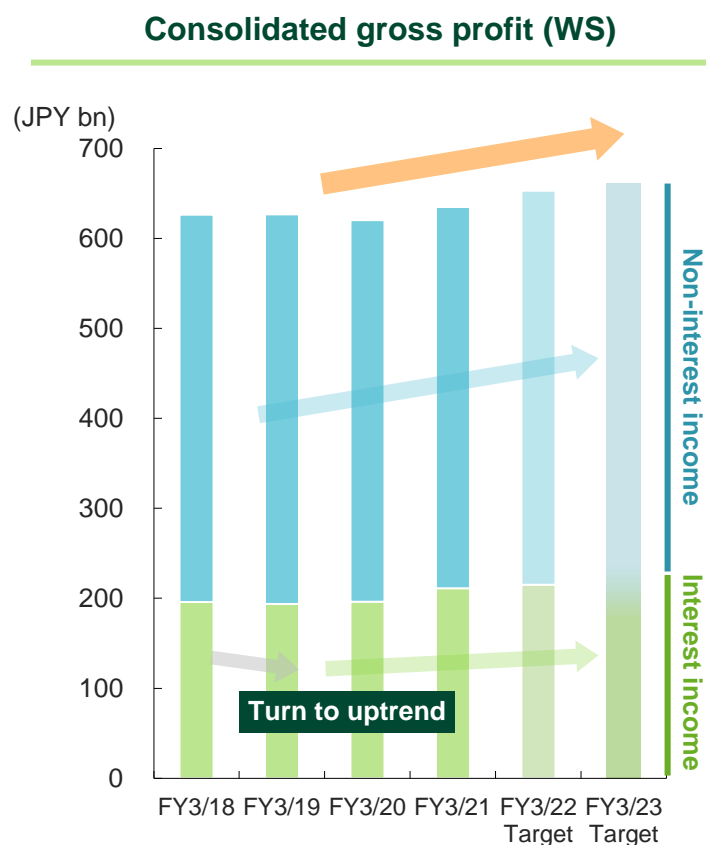
^{*1} Reflecting the change in the management accounting system in FY3/21

- 2 Improve productivity and strengthen solutions in the domestic wholesale business
- 7 Develop digital solutions for corporate clients

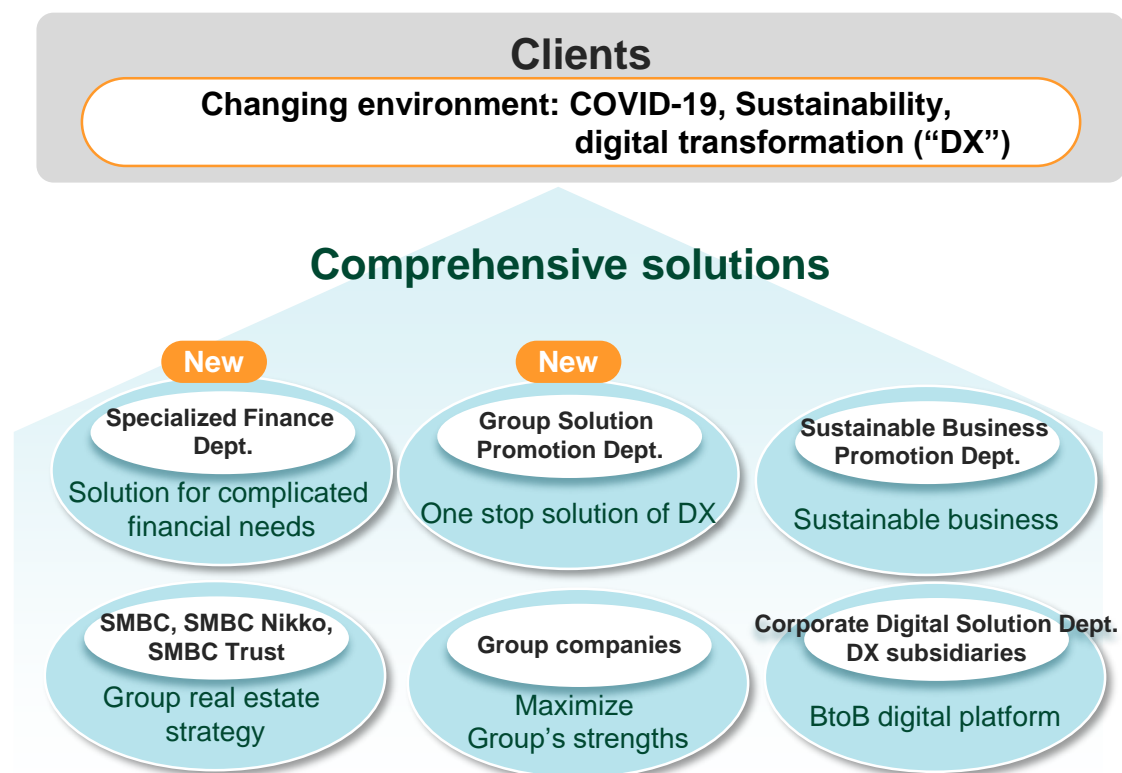
Interest income bottomed out in FY3/20 and has been increasing since then.

Strengthen fee businesses by diversifying solutions for clients in response to the changing environment.

Trend of profit structure



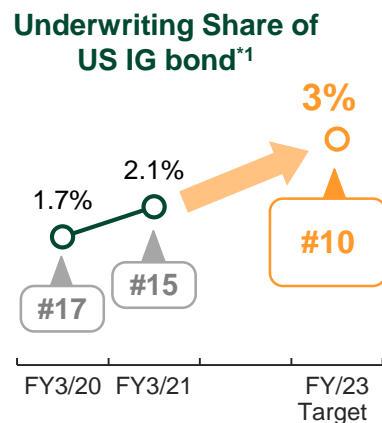
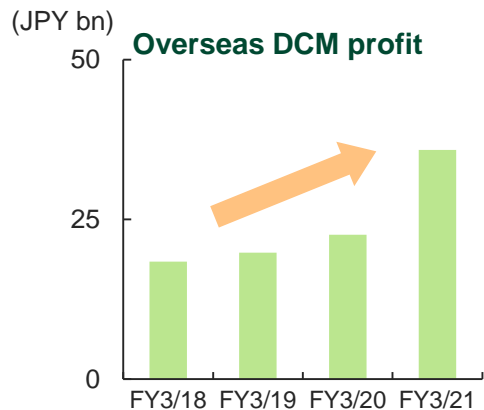
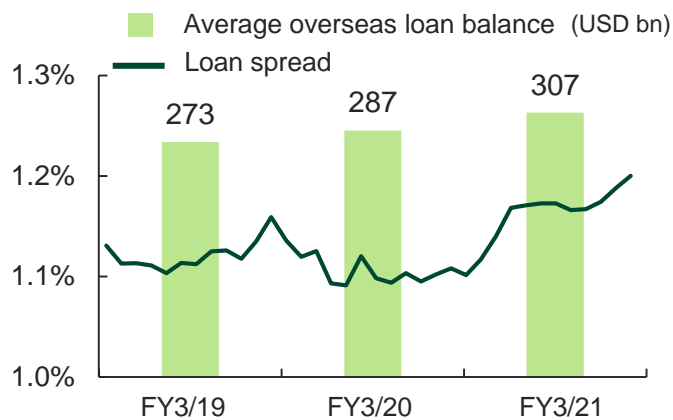
Provide comprehensive solutions



3 Enhance overseas CIB business to improve asset / capital efficiency

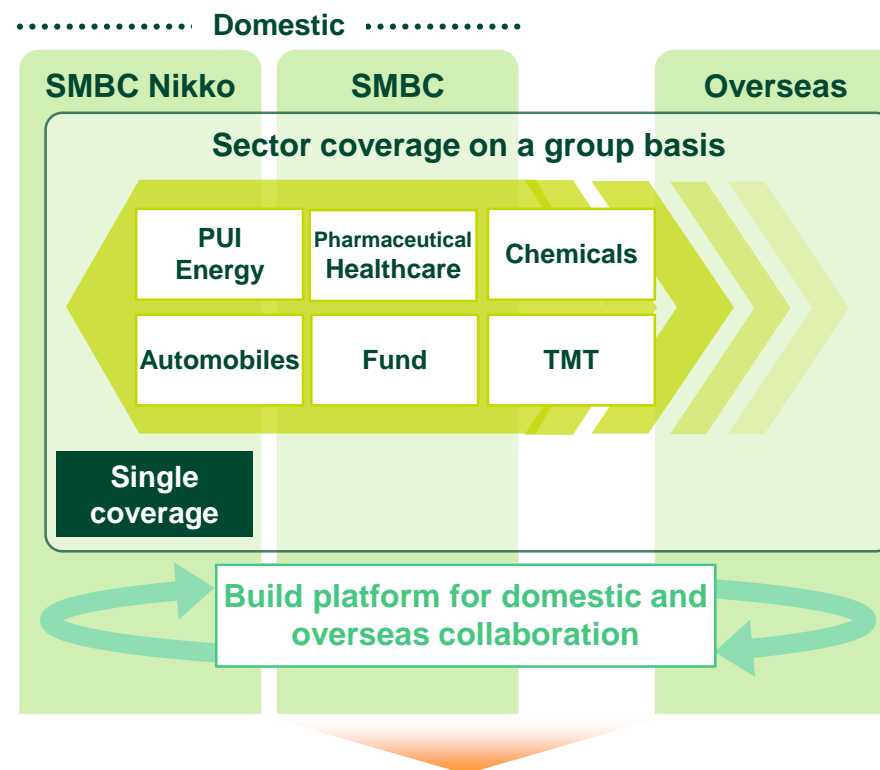
Further enhance overseas CIB business by strengthening the securities business.

Strengthen securities business through lending



Further enhance CIB business

Strengthen collaboration on a global basis

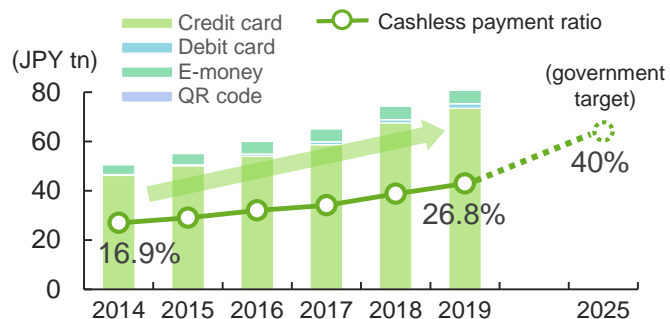


Enhance businesses with large global corporates

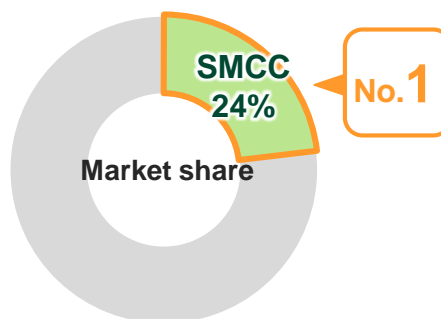
4 Hold the number one position in payment business

Lead the market growth with our payment platform “stera”

Growing cashless market



Strengths in acquiring



The Payment Platform.

stera transit

stera terminal

Extend functions by adding app

stera market

stera dashboard

Real SHOP Online

Alliances with external partners

Payment service for corporates

Full automation of cost reimbursement operations (around FY22)

No application

×

No input

×

No approval

Co-Brand strategy

Visa LINE Pay Credit Card

Visa LINE Pay Prepaid Card



New

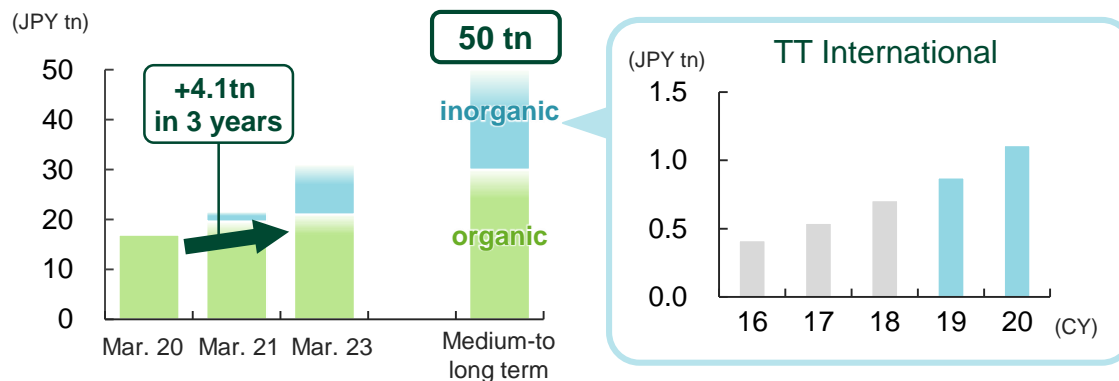
Head of Payments & Consumer Finance Division

5 Enhance asset-light business on a global basis

Asset management*1

	US	Europe	Asia	Japan
Stocks		TT International 100%	China Post & Capital Fund Management	SMDAM
Bonds	ESG AIM 17.5%		23.7%	50.1%
Alternative		ARES Management 6.1%		Alternative Investment Capital 60%
		ARA Asset Management 10%		Kenedix*2 70%

Balance of AUM



Sales & Trading

Establish global S&T platform

- 1 FIST*3 platform in US**
 - Establish global Rates platform
- 2 Business base in Asia**
 - Strengthen local currency and FIST/DCM consolidated operation
- 3 Structured credit solutions**
 - Strengthen product supply and sales capabilities

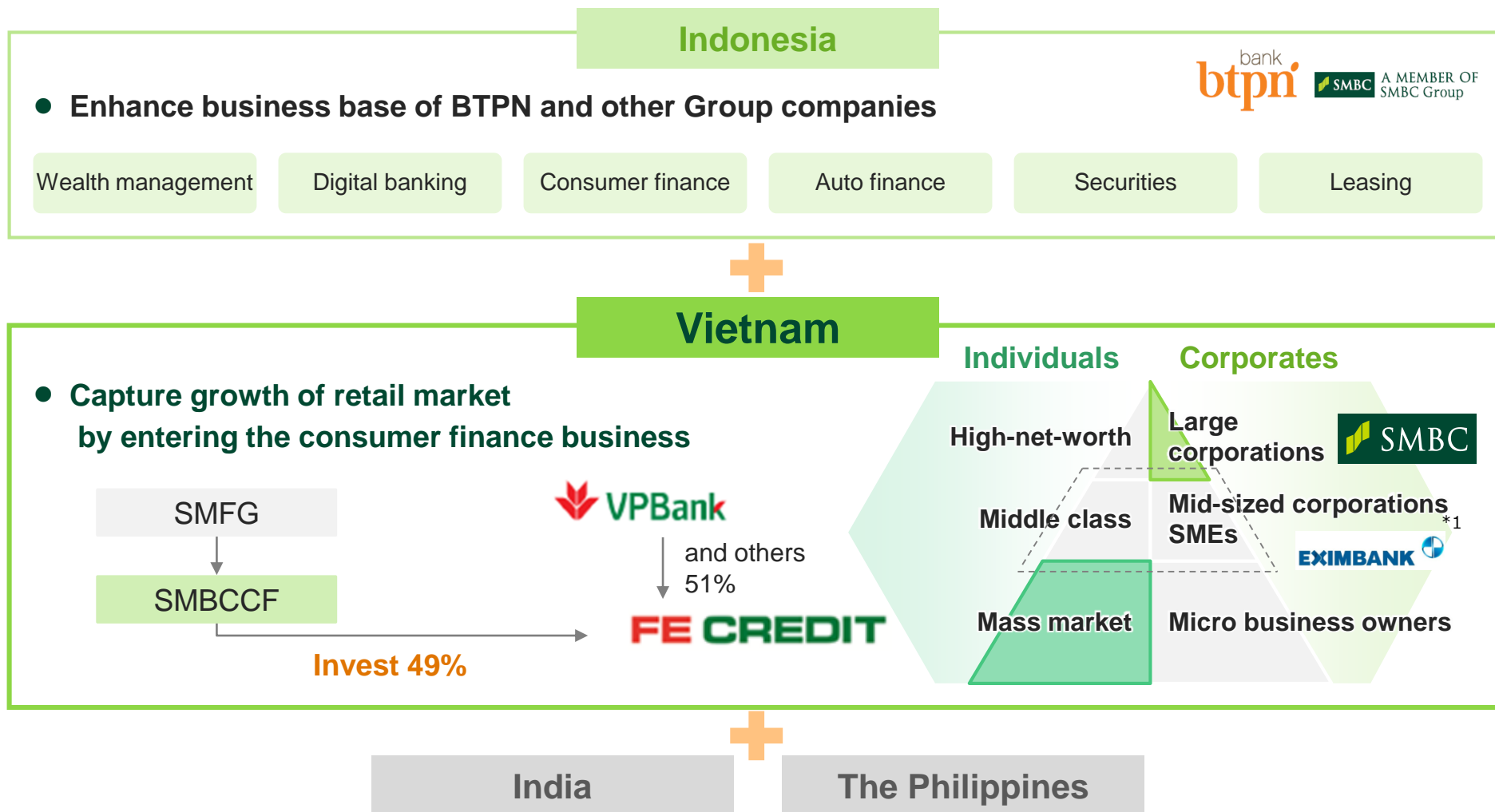
Allocate management resources

*1 Boxes with shades are invested after 2020. Percentages are shareholding ratio of SMBC Group

*2 Sub-subsidiary of SMFL *3 FIST: Fixed Income Sales & Trading

6 Expand franchise and strengthen digital banking in Asia

Execute Multi-Franchise Strategy focusing on: 1) Full-line banking, 2) Localization, and 3) Commitment. Consider entering into non-banking businesses in countries with strict foreign ownership restrictions.



*1 SMBC invests 15.07% in Vietnam Export Import Commercial Joint Stock Bank

⑥ Expand franchise and strengthen digital banking in Asia

Investment in FE Credit

Rare opportunity to invest in a leading player of Vietnam's consumer finance market.
Expect to reach our investment criteria in the 2nd year with strong profit growth.

Overview of investment

Overview	<ul style="list-style-type: none"> SMBCCF will acquire a 49.0% equity stake in FE Credit from VP Bank
Investment amount	<ul style="list-style-type: none"> Maximum JPY 150 bn Including payment based on performance
Financial impact	<ul style="list-style-type: none"> Return on investment: Expect to reach our criteria*¹ in the 2nd year Profit contribution: +JPY 10bn in the 3rd year*² Impact on CET1 ratio: (10)bps RWA: +JPY 70 bn
Strategy	<ul style="list-style-type: none"> Consistent with Multi-Franchise Strategy in Asia Capture growth of Vietnam's consumer finance market Expand our business platform by utilizing the know-how and experience of SMBCCF

Strengths of FE Credit

Brand

Approx. 50% market share and high brand awareness throughout Vietnam

Management

Achieved top market share in a short-term

Business

Advanced initiatives in digital business
Ecosystem built with partners

Finance

High profitability: ROE of 20%
Efficient operations: OHR of 30%

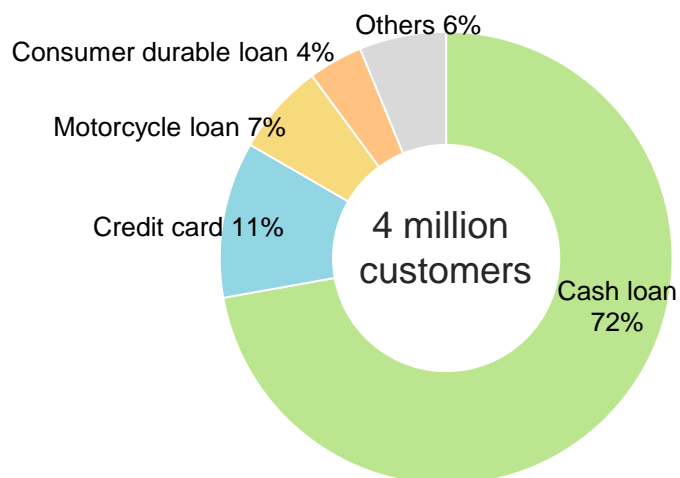
*1 ROCET1 \geq 8.5% *2 Excluding amortization of goodwill

6 Expand franchise and strengthen digital banking in Asia (Ref.) Overview of FE Credit

Company Information

Corporate Name	VPBank Finance Company Limited
Trade Name	FE Credit
Established	2015
Chairman	Mr. Lo Bang Giang
Employees	Over 13,000
Network	Over 20,000 point of sales in Vietnam

Loan Portfolio



Key Financial Information ^{*1}

(JPY bn)	FY2018	FY2019	FY2020
Total operating income	74.4	86.6	83.9
Net profit	15.2	16.5	13.7
Total assets	276.8	325.0	337.6
Total equity	54.0	57.6	71.3
Total loans	245.0	278.7	300.5
NPL ratio	6.4%	6.2%	6.6%
ROE	28.2%	29.6%	21.2%

Overview of VP Bank (Shareholder)

Corporate Name	Vietnam Prosperity Joint Stock Commercial Bank
Established	1993
Chairman	Mr. Ngo Chi Dung
Listing	Ho Chi Min Stock Exchange (ticker: VPB)
Rating	B1 / positive (Moody's)
Total assets	JPY1,656.3 bn

*1 exchanged at 1VND=JPY 0.0046

Cost control

Additional reductions will be made in response to environmental changes (e.g. digital shift) on top of the original JPY 100bn cost reduction program.

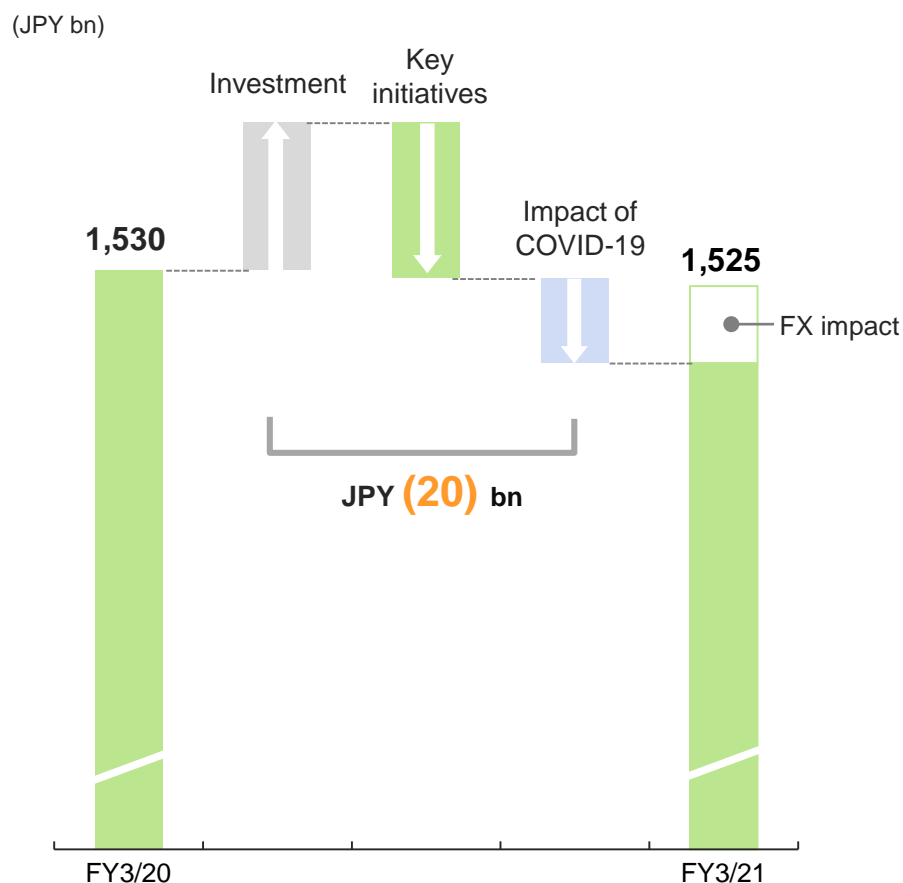
Key initiatives	Target	Status of initiatives	Results
Reform of domestic business	(50) bn	<ul style="list-style-type: none"> Reduce workload of 1.4K people by reforming retail business, reallocating workforce of wholesale business, and improving efficiency of headquarters Cost reduction by reviewing fixed cost 	(21) bn
Retail branch reorganization	(25) bn	<ul style="list-style-type: none"> Shift the branches to “SMBC The PERSONAL” smart branches: 250 branches will be completed in FY3/22*1 	(7) bn
Integration of group operations	(25) bn	<ul style="list-style-type: none"> Relocate SMCC and SMBCCF to integrate head office functions Consolidate business operation of the merged asset management entities 	(7) bn
<div> <div>+</div> <div>New</div> </div>		(35) bn	
Acceleration of digital shift	(10) bn - (20) bn	<ul style="list-style-type: none"> Further review of each business model in response to the acceleration of digitalization. 	

*1 Planning to minimize approx. 50 branches additionally

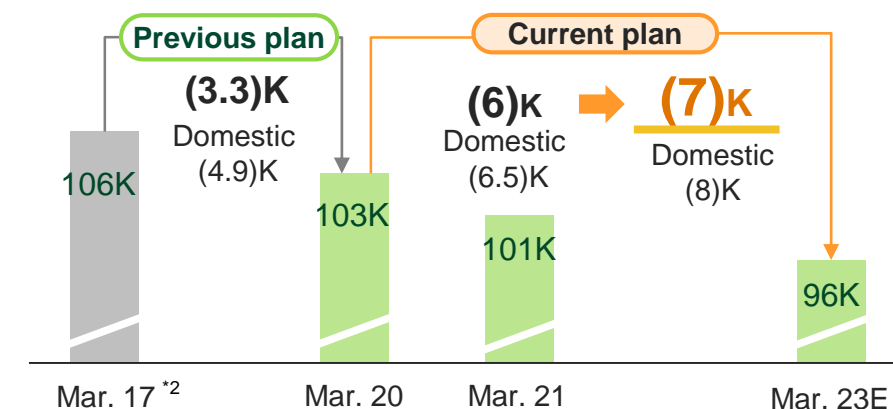
(Ref.) Base expenses and headcount

Base expenses decreased by JPY 20 bn YoY excluding FX change impact.
Headcount is expected to decrease more than the target of the Medium-Term Management.

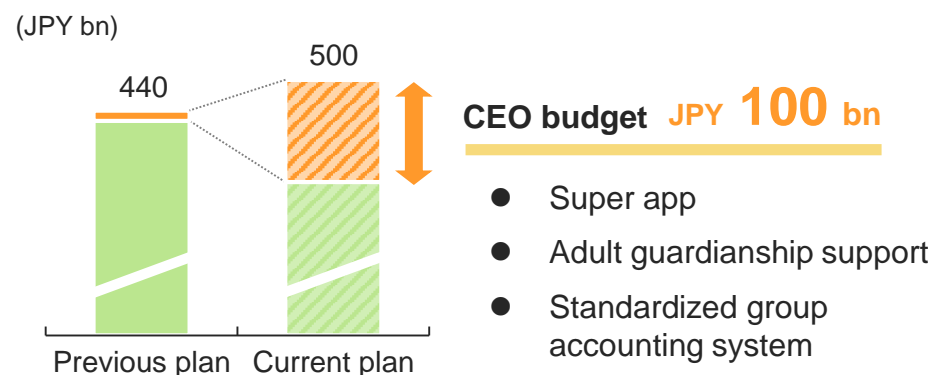
Base expenses^{*1}



Headcount



IT investment

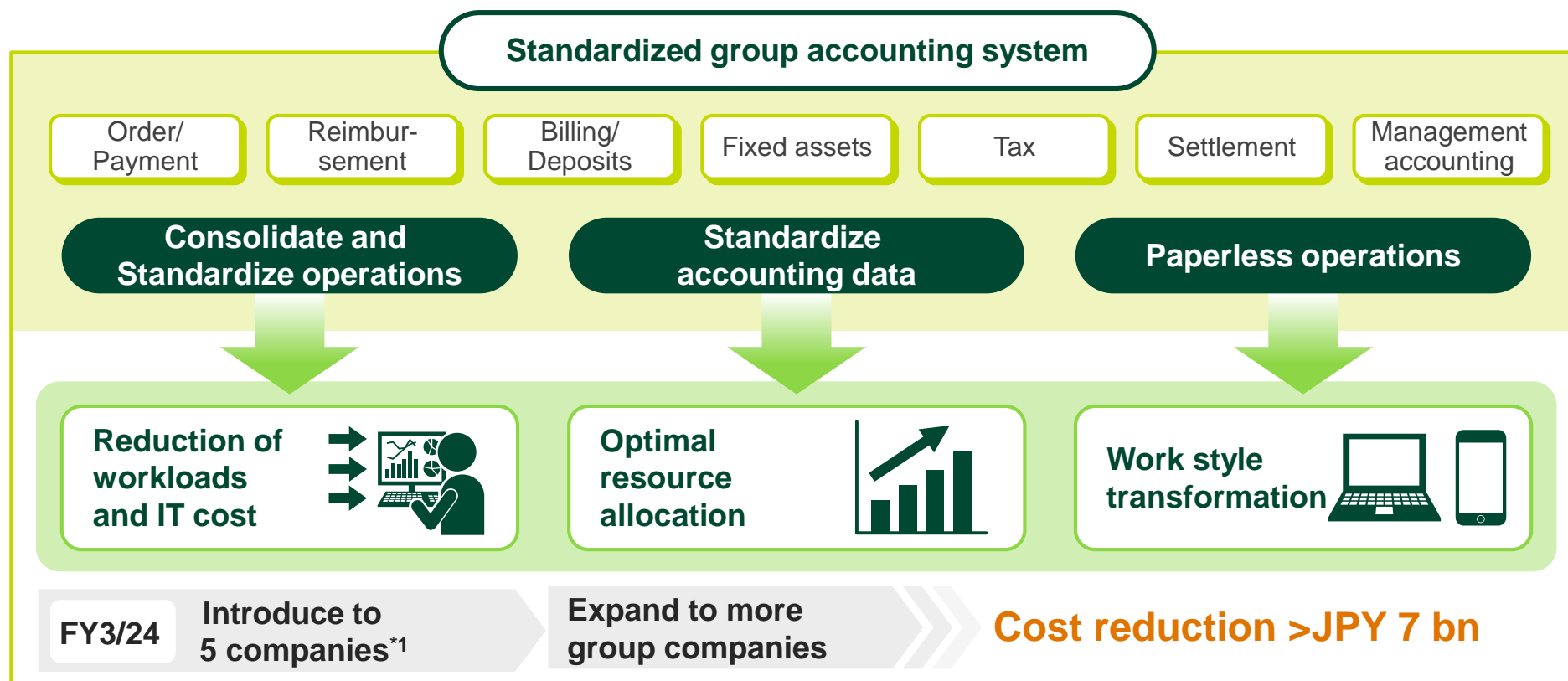


^{*1} G&A expenses excluding cost related to investment for future growth, revenue-linked variable cost and others

^{*2} Added the impact of group reorganization retrospectively

(Ref.) Standardized Group Accounting System

Pursue operational efficiency and cost reduction by introducing standardized group accounting system.



Group CRE

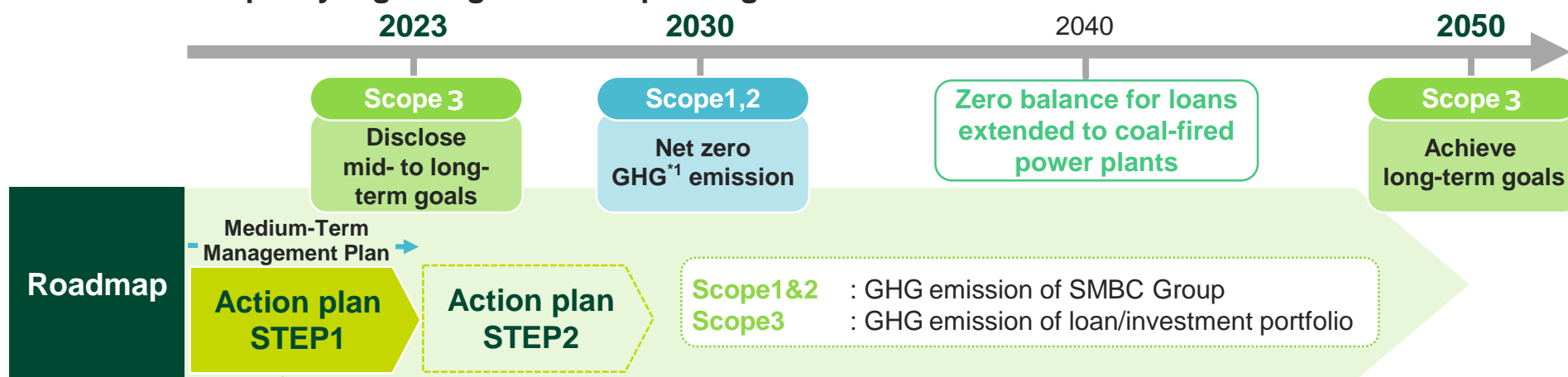
Group HR administrations



III. Quality

Accelerate efforts against climate change

Established “Roadmap Addressing Climate Change” and revised the policy regarding coal-fired power generation.



Measures		Initiatives
1) Strategy	Establish mid- to long-term target for Scope3 emissions	Assess the GHG emissions generated by its loan/investment portfolio and set mid-/long-term targets
2) Strategy	Accelerate initiatives to reduce Scope1&2 emissions	Achieve net zero at SMBC Group operations by 2030
3) Strategy	Enhance businesses addressing climate change and decarbonization	Execute JPY 30 tn of sustainable finance by 2030
4) Governance	Enhance governance/business management framework	Appoint Group CSuO (Chief Sustainability Officer)
5) Risk management	Enhance risk management framework	Enhance climate change scenario analyses
Metrics and targets	Setting and managing KPI and targets	—

Policy regarding coal-fired power generation

Revision Support for newly planned coal-fired power plants and the expansion of existing plants are **NOT** provided

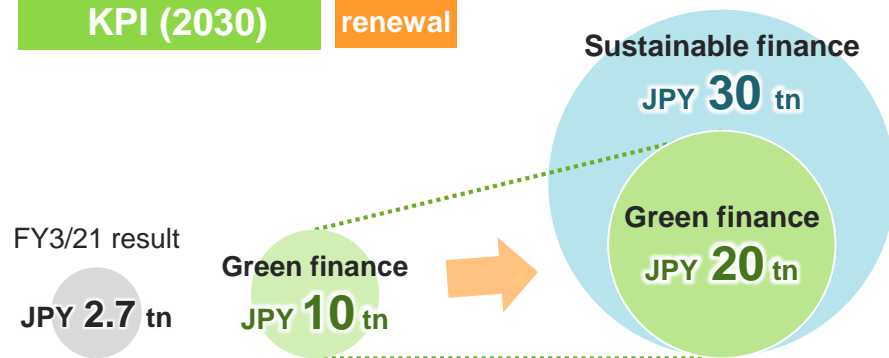
Promote sustainable businesses

Sustainable finance

Green Finance

KPI (2030)

renewal

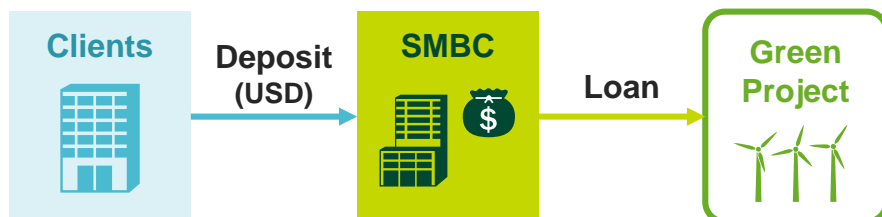


Global league table
(green loan
underwriting amount)*1

	Lender	Mkt share
1	Credit Agricole	10.0%
2	SMBC	7.8%
3	BNP Paribas	7.4%

Green deposit*2

First in Japan



GREEN x GLOBE Partners (established Jul. 20)

	# of partner companies	# of people participated in events
Sep. 20	47	25
Apr. 21	↑ 109	↑ 708



Develop new technology

Japan Hydrogen Association

- Led the establishment and became one of the board members
- Made a policy proposal to METI on realizing a hydrogen society in Mar. 21



*1 Source: Dealogic (FY3/21) *2 Allocate the deposits to finance "green eligible projects" such as renewable energy, and have a third party evaluate the operational status on a regular basis

Governance

Enhance sustainability management



Improve the diversity of the Board

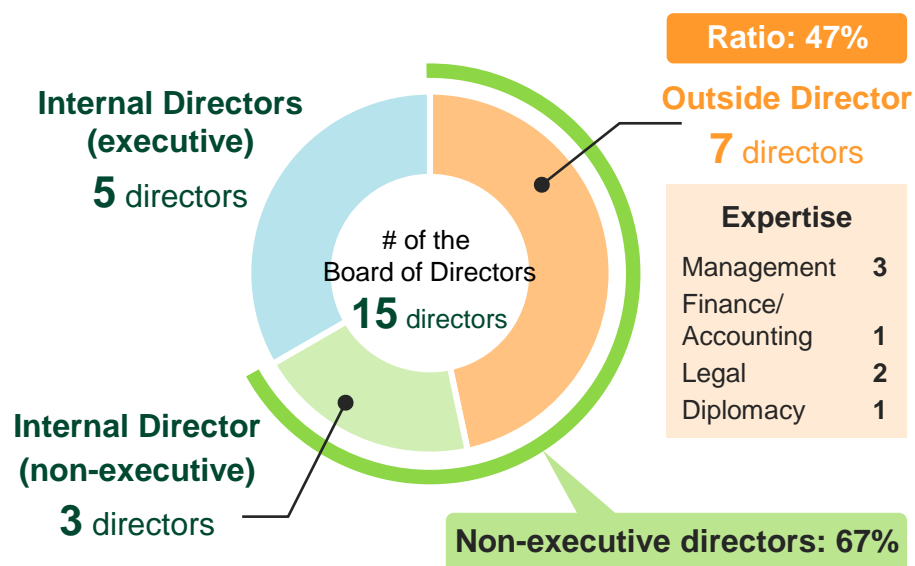


2 women






















1 foreign national

Joined 30% Club Japan in Apr. 21



(Ref.) Skills matrix of outside directors

		Year of appointment	Committee membership (◎:Chairman)				Knowledge and experience we expect in particular				
			Nomination	Audit	Compensation	Risk	Management	Finance	Global	Legal	Accounting
Masayuki Matsumoto		2017	○	◎							
Arthur M. Mitchell		2015	○		○						
Shozo Yamazaki		2017		○		◎					
Masaharu Kohno		2015	○			○					
Yoshinobu Tsutsui		2017	◎		○						
Katsuyoshi Shinbo		2017		○	◎						
Eriko Sakurai		2015	○		○						

Engagement with stakeholders

KPIs

	KPI	Target	FY3/21 results
Environment	Green finance	JPY 20 tn by 2030	JPY 2.7 tn
	Green bond issuance	at least once a year	once
Community	Retail deposits in Asia	x3 by Mar. 23	x2
Next Generation	Finance education	1.5 mn people by 2030	0.13 mn
Human Resources	Female managers	20 % By Mar. 26	15.8 %
	Childcare leave	100 %	100 %

Enhance corporate value through engagement

Disclose non-financial information



Engage

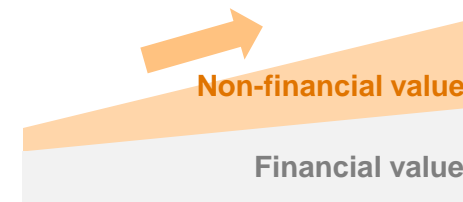
Ease information asymmetry (lower capital cost)

Enhancement of corporate value

Improve ESG ratings



Corporate value



(Ref.) Accelerate sustainability management

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

Establishment of sustainability management

Oct. 18

Establishment of Corporate Sustainability Committee

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

Apr. 20

Amendment of Group Mission Declaration of Statement on Sustainability

SMBC Group “GREEN x GLOBE 2030”

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

Apr. 21

Appointment of Group CSuO

Under consideration

Establishment of Sustainability Committee

Planning

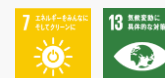
KPIs

SDGs

Materiality

Environment

- ▶ Green finance
- ▶ Green bond issuance



Community

Next Generation

- ▶ Retail deposits in Asia
- ▶ Finance education



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



PRINCIPLES FOR
RESPONSIBLE
BANKING

EQUATOR
PRINCIPLES

We
support

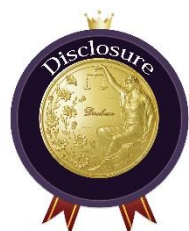


www.weprinciples.org

CDP
DISCLOSURE INSIGHT ACTION

PFA21
Principles for Financial
Action for the 21st Century

(Ref.) External awards



2020 Award for Excellence
in Corporate Disclosure
— Industries —

SAAJ The Securities Analysts
Association of Japan



2020 Award for Excellence
in Corporate Disclosure
— Disclosure to Individual Investors —

SAAJ The Securities Analysts
Association of Japan



(SMBC)



(SMBC Nikko)



2020
健康経営優良法人
Health and productivity

NIKKEI
Smart Work

★★★★★ 2021

work with Pride

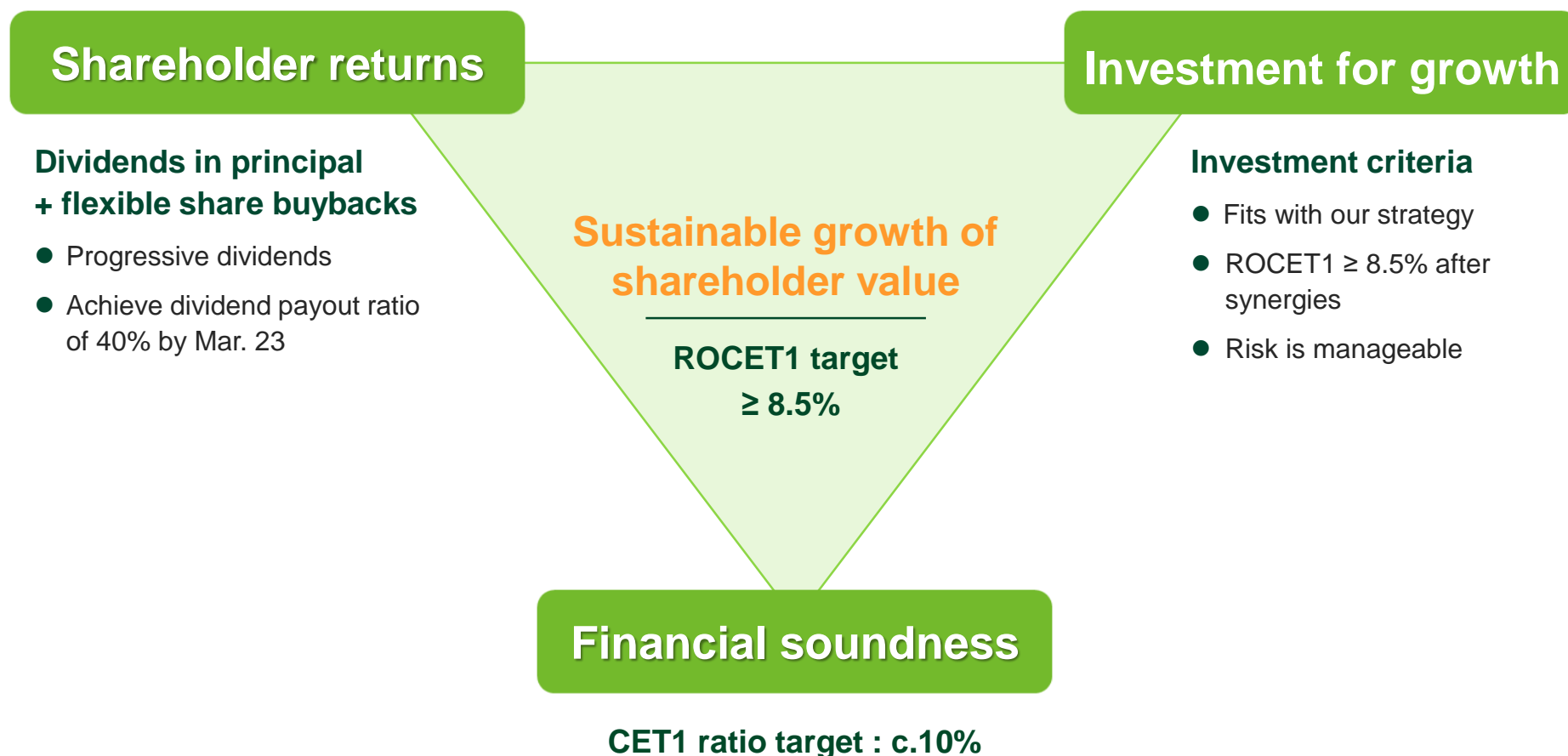




IV. Capital Policy

Basic Capital Policy

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



Capital position

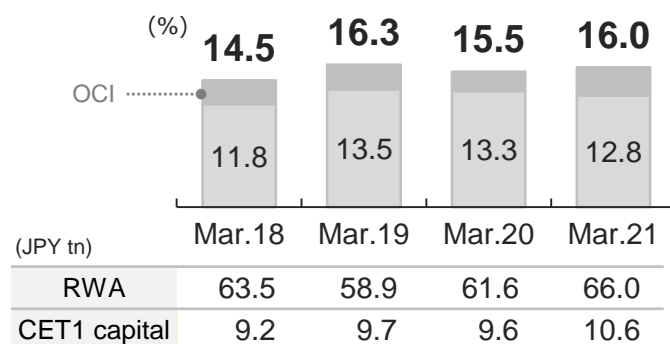
Maintain a sufficient level of capital while supporting customers impacted by COVID-19.

CET1 ratio

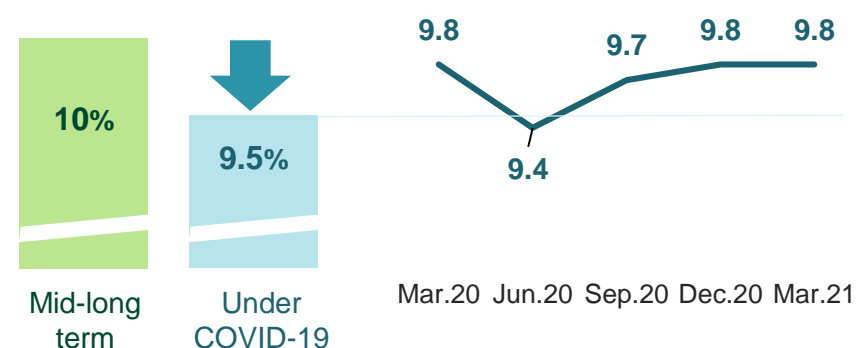
Post-Basel III excl. OCI (financial target)



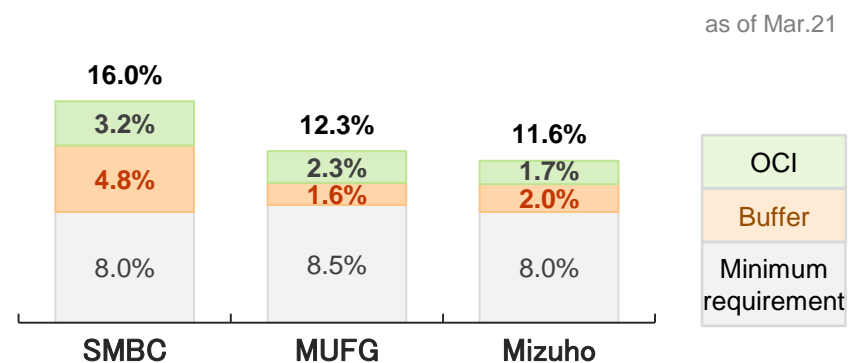
Basel III fully-loaded basis



Capital Management under COVID-19



Peer comparison (Basel III fully-loaded basis)

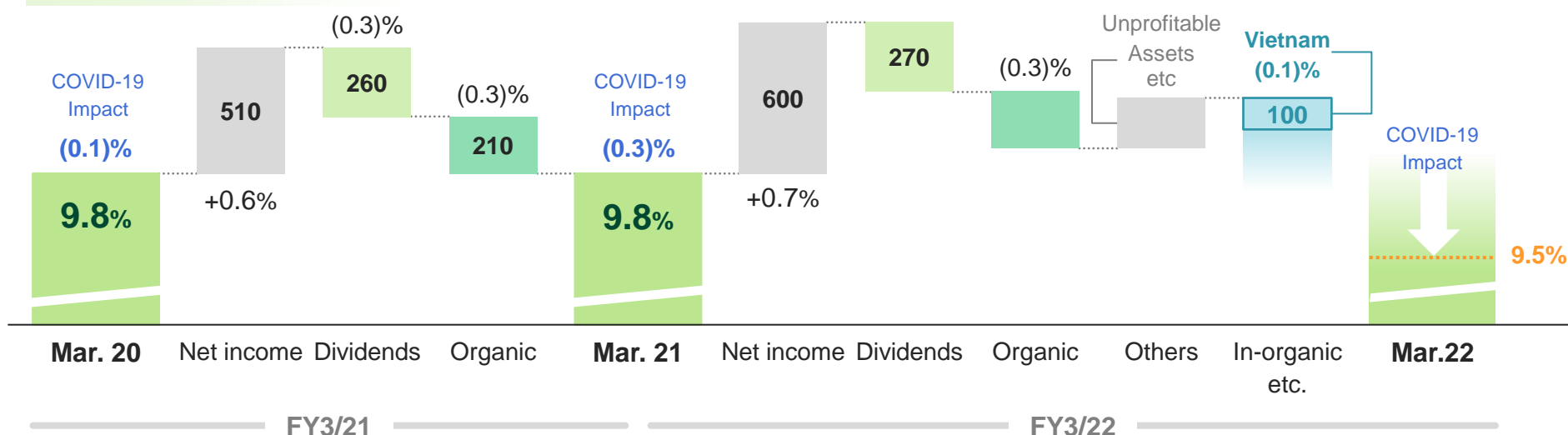


Shareholder returns

Increased dividend target for FY3/22 by JPY 10 to enhance shareholder returns.
Not to announce share buybacks in order to assess the final impact of COVID-19.

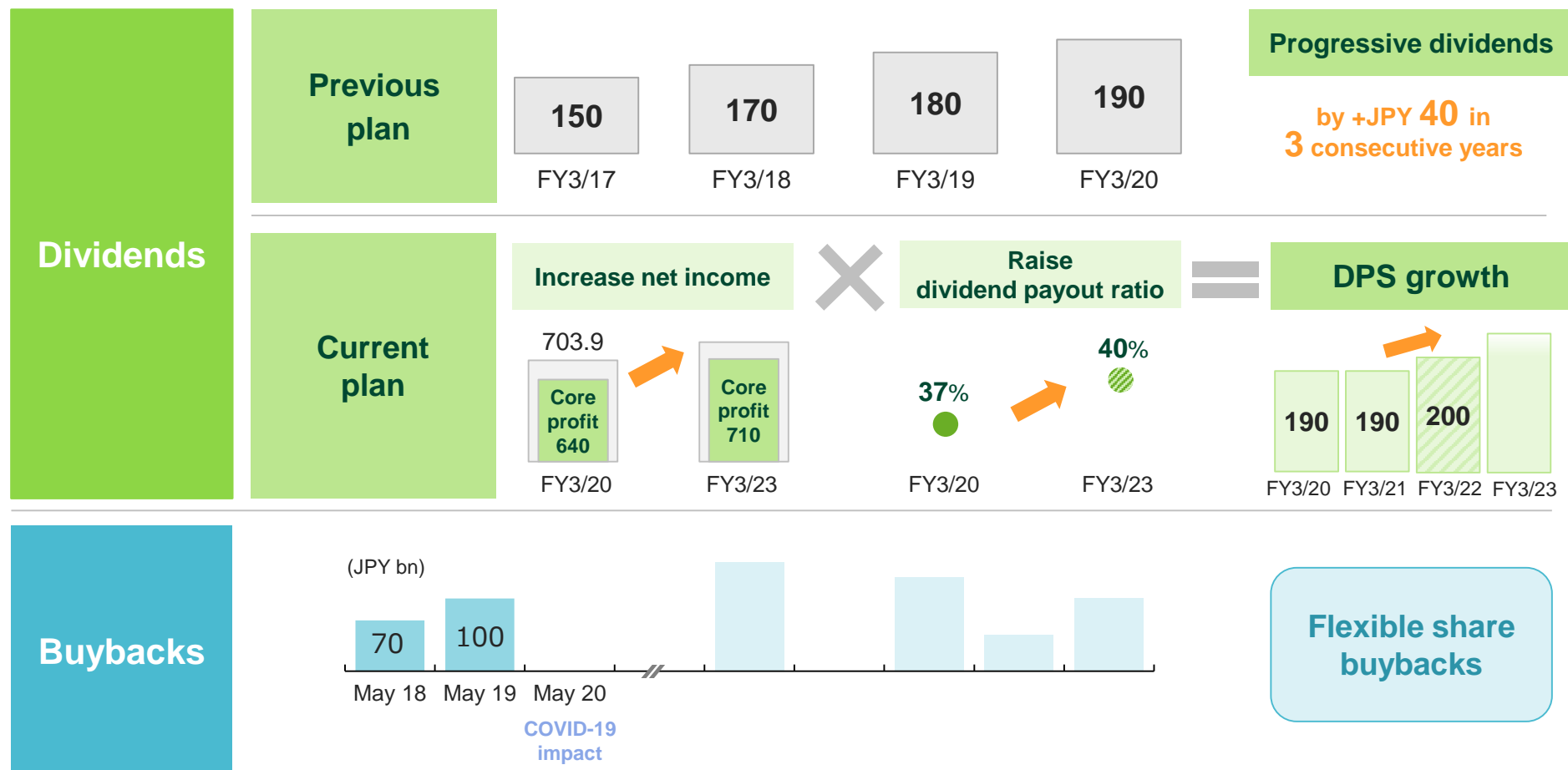
	FY3/20	FY3/21	YoY	FY3/22 target	YoY
DPS	190	190	±0	200	+10
Dividend payout ratio	37%	51%	+14%	46%	(5)%
Share buybacks	May.19 100 bn	—	—	—	—
Total payout ratio	51%	—	—	—	—
Net income	703.9 bn	512.8 bn	(191.1) bn	600.0 bn	+87.2 bn

Capital allocation

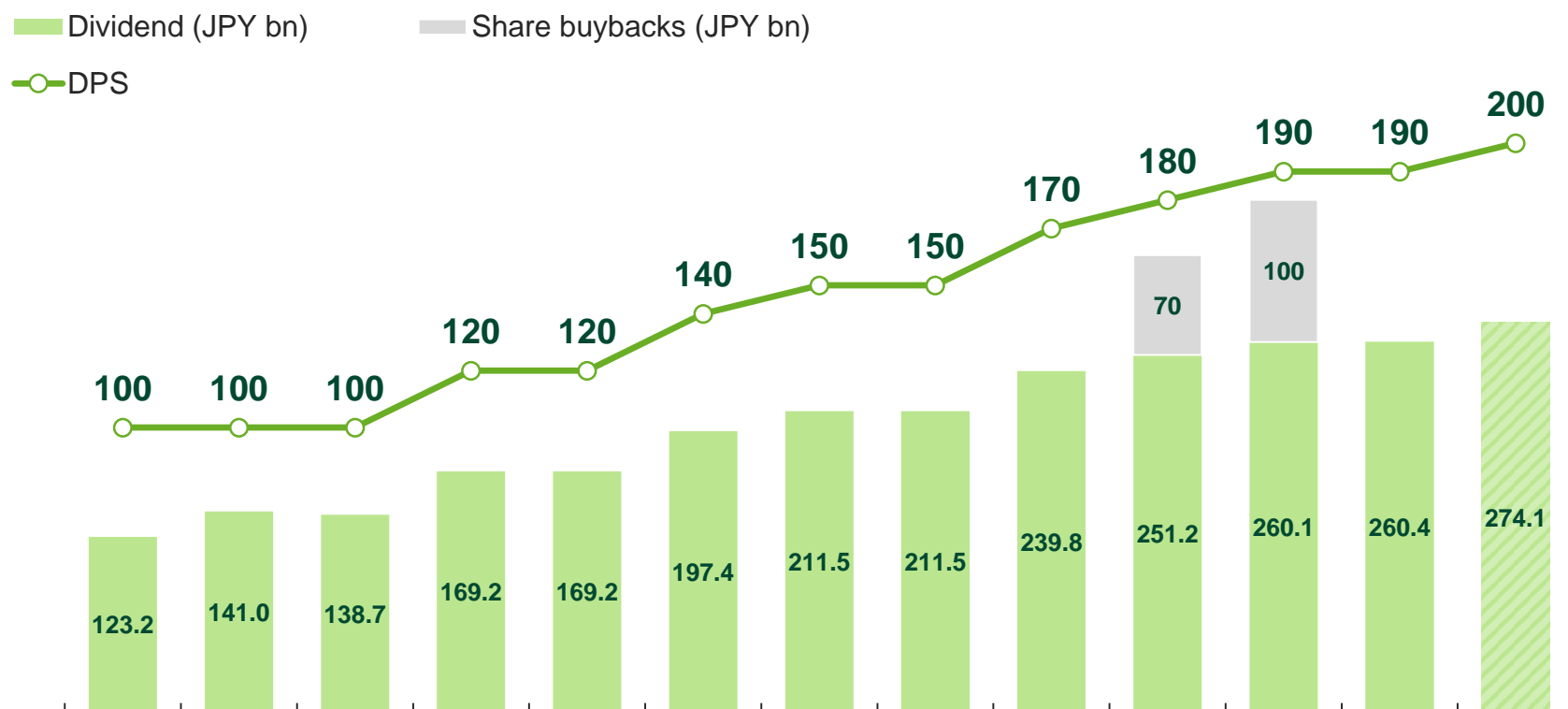


(Ref.) Enhancing shareholder returns

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



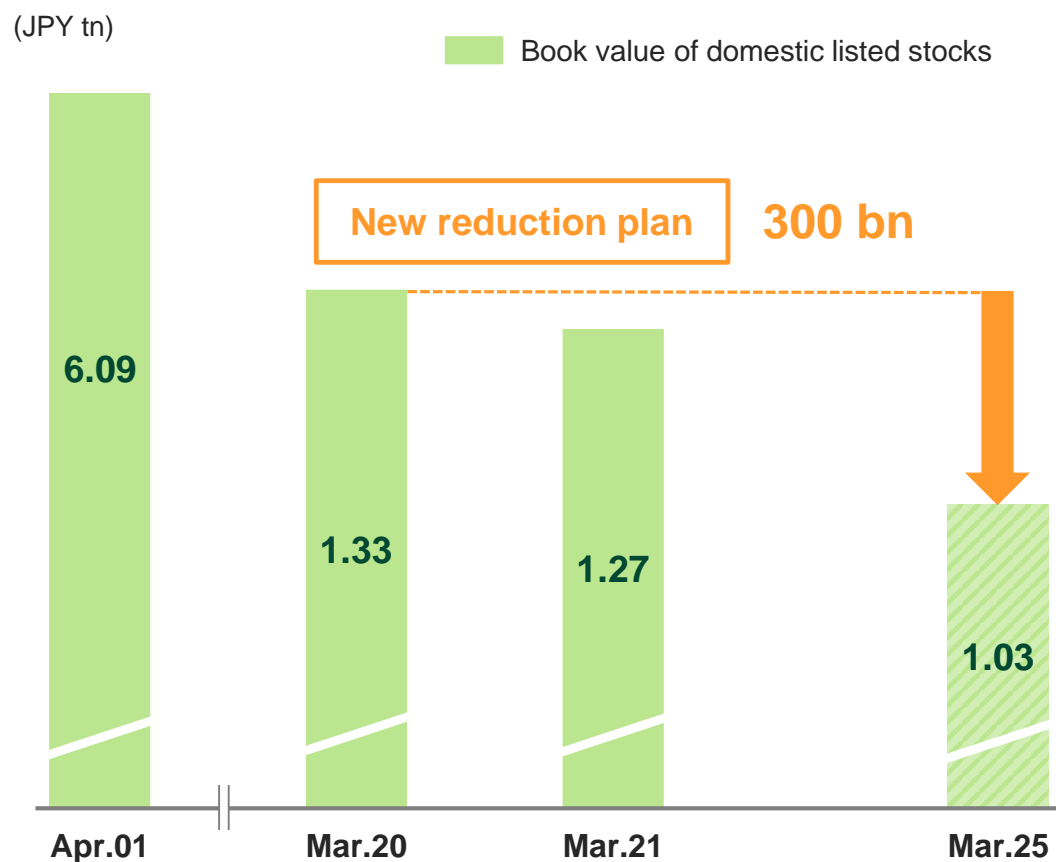
(Ref.) Shareholder returns



	FY3/10	11	12	13	14	15	16	17	18	19	20	21	22E
Dividend payout ratio (%)	47	30	27	21	20	26	33	30	33	35	37	51	46
Total payout ratio (%)	-	-	-	-	-	-	-	-	-	44	51	-	-
Profit attributable to owners of parent (JPY bn)	271.6	475.9	518.5	794.1	835.4	753.6	646.7	706.5	734.4	726.7	703.9	512.8	600

Strategic shareholdings

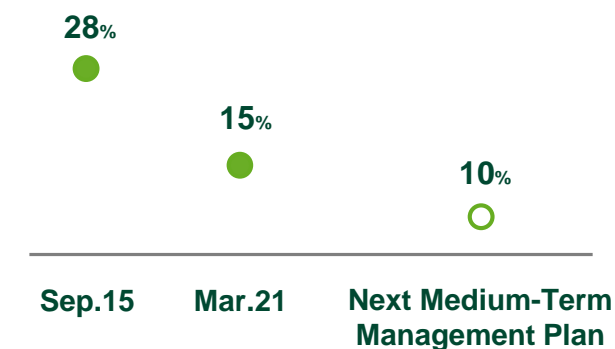
Plan to reduce JPY 300 bn in 5 years by March 2025. Reduced JPY 55 bn in FY3/21.



Reduction

Previous reduction plan (Sep.15 - Sep. 20)	JPY 510 bn
New reduction plan (Mar.20 -)	
Reduction	JPY 55 bn
Consent of sales	JPY 54 bn
Total	JPY 109 bn

Ratio of stocks to CET1 ^{*1}



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



V. Break the mold

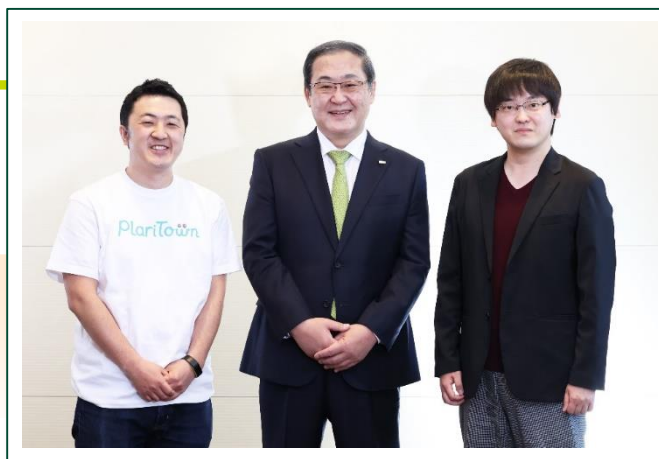
Producing new CEOs

Actively support in-house business ventures and develop new growth areas for SMBC Group.

Digital platform for corporates

PlariTown

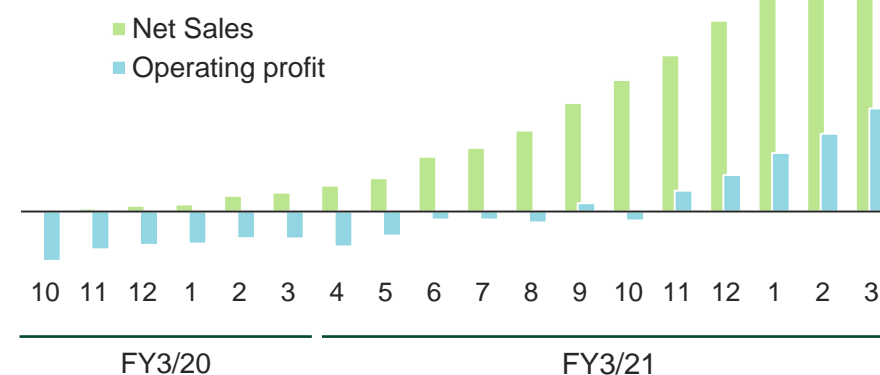
Dec. 20 **Launch of service**



Electronic contract service



FY3/21 **Full year surplus**



GMO DATA NCore Polarify

SMBC VALUE CREATION
CO., LTD.

LAND
DATA
BANK

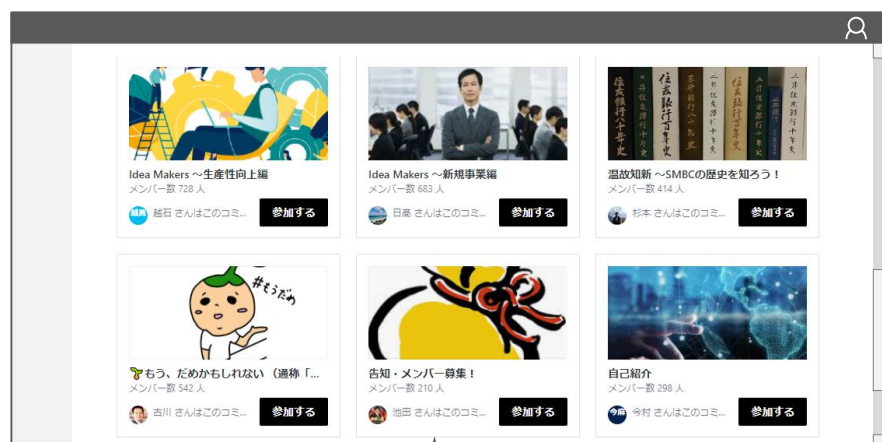
SMBC GMO PAYMENT bree

Create a framework for nurturing new business seeds

Internal SNS

ミドいは

Promote active communication across divisions and positions



New post in "Idea Makers"



RETM/SMBC

April 8

We promote internet banking services to SMEs...

Like! Comments Share

CDSD/Joint GM/SMBC and 359 others



Jun Ohta/CEO/SMFG April 8

110

I think it's a good point of view. Is there anyone who can think of a solution?

Like! Comments Share

End-users

21K

Active users

6K

Next-generation workplace

Offices that induce innovation and communication



Seek new business opportunities

Further improve customer convenience as a solution provider by reinforcing both financial and non-financial services.

Revision of banking regulation

prospect
in 2021

Advanced banking service company

Able to extend our operation broadly

FinTech

Data analysis/ marketing/
advertising

Sales of banks' own apps
and IT systems

Regional trading company

Registered
temporary staffing

Maintenance of ATM

Special subsidiary company
related to Act on Employment
Promotion of Persons with
Disabilities

Cooperation with local
communities regarding
adult guardianship

Accelerate to become a solution provider

Advertising business

Subject to approval

Advanced banking service company

Analyzing personal needs from financial data

Retirement

- Age
- Retirement allowance



Travel lover

- Draw down of
traveling fee
- Usage of ATM
in rural areas



Advertiser



Travel agent



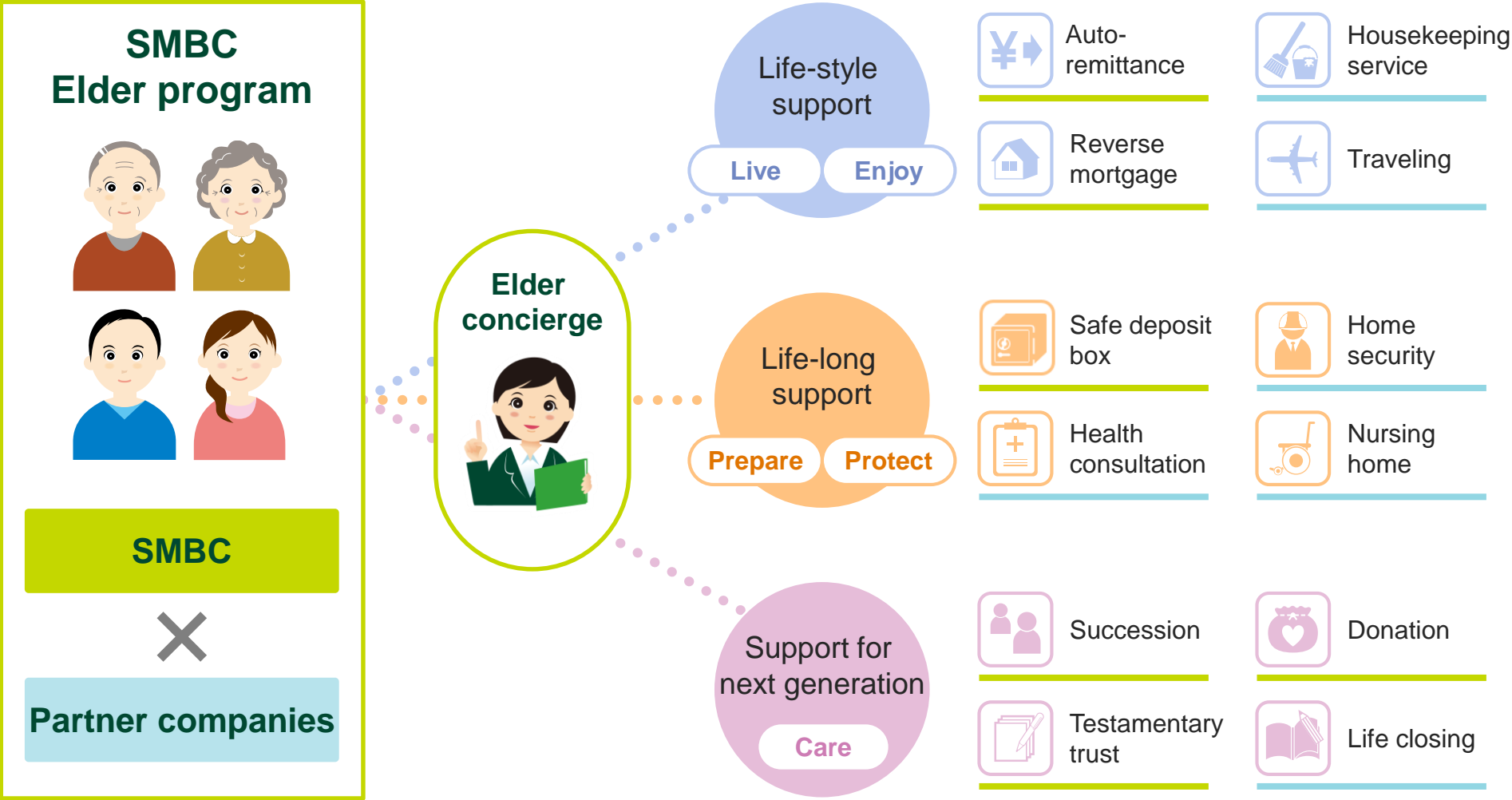
Advertisement

Travel plan
for seniors



SMBC Elder Program

Offer high value-added financial and non-financial products / services in response to customer needs in the 100-year life era.





Appendix

Company overview (1) Group structure

Sumitomo Mitsui Financial Group

Consolidated total assets JPY 243 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%)

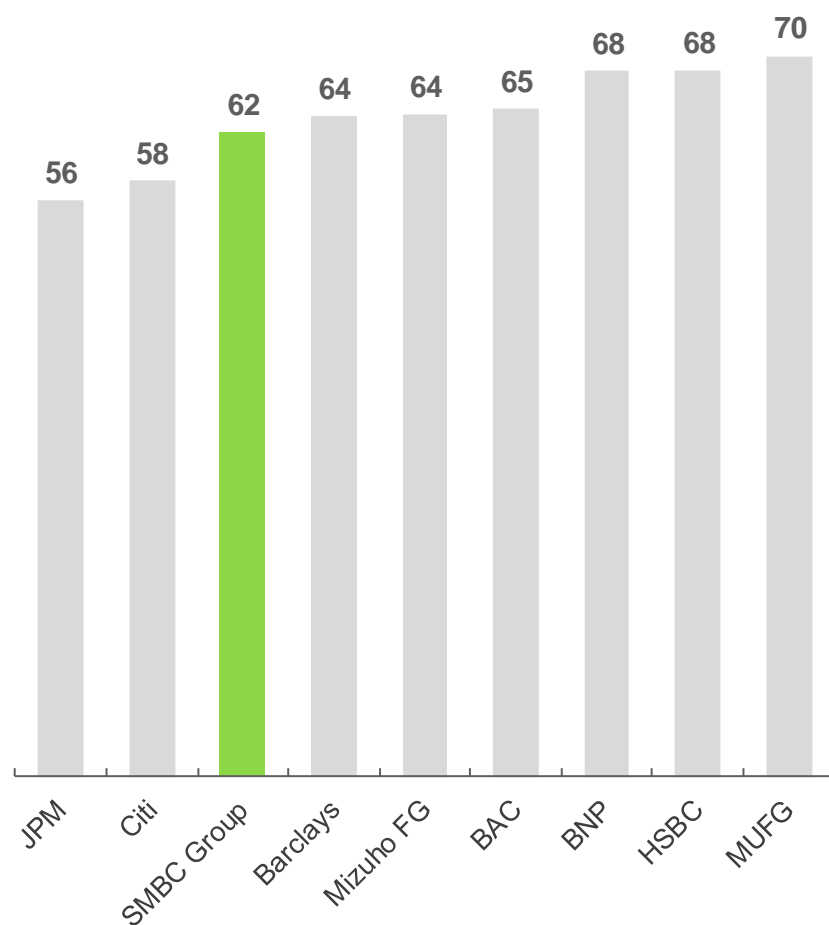
Japan Research Institute

Sumitomo Mitsui DS Asset Management

Company overview (2) Peer comparison

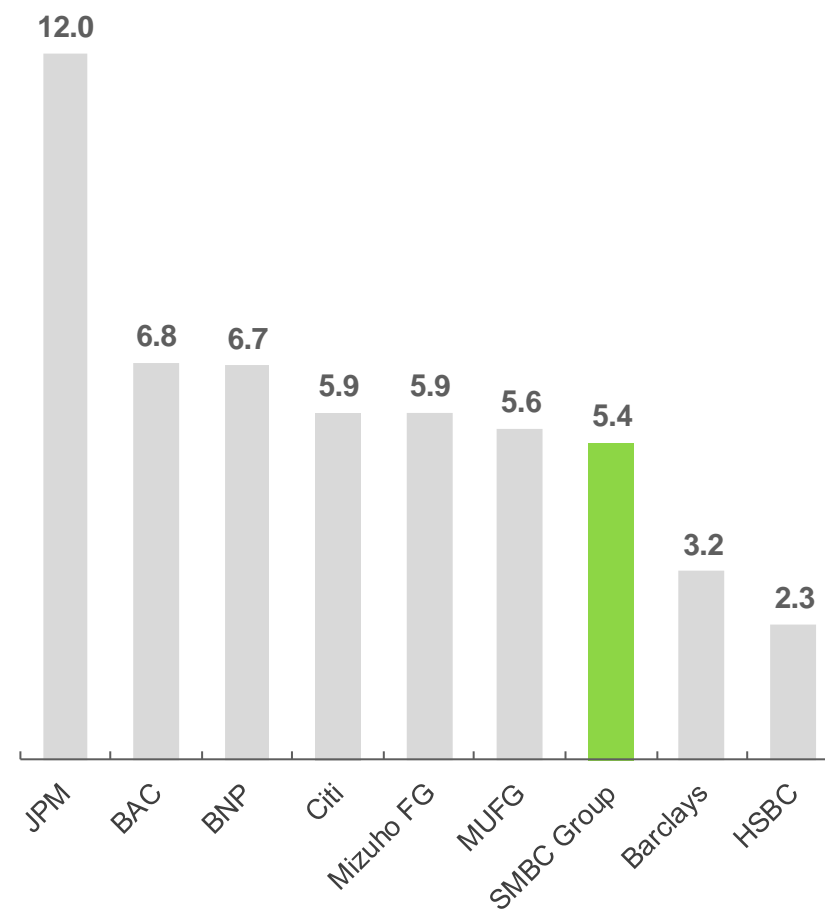
OHR*¹

(%)



ROE*¹

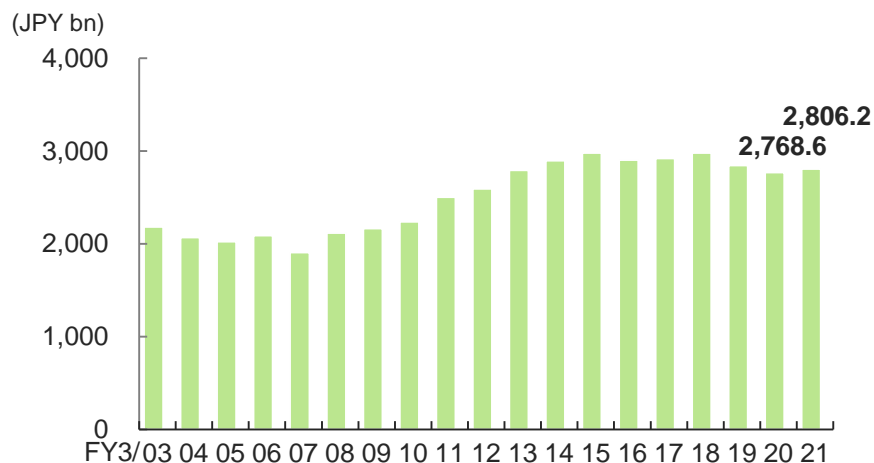
(%)



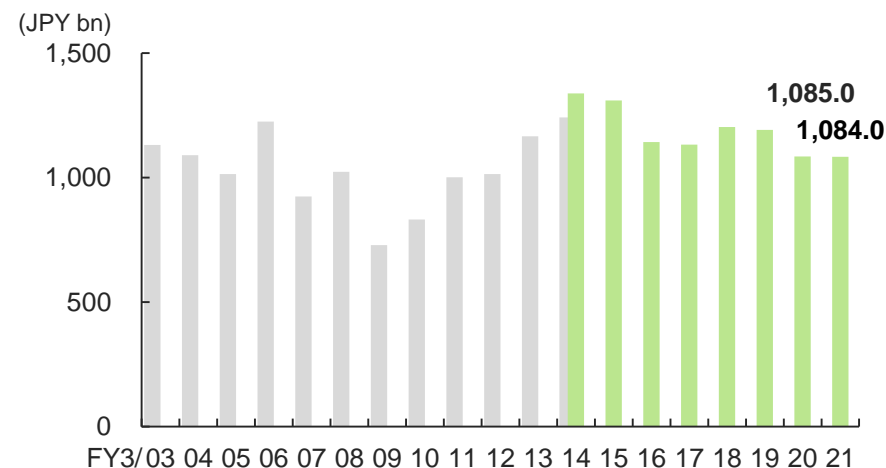
*1 Based on each company's disclosure. FY3/21 results for SMBC Group, MUFG, Mizuho and Jan-Dec.20 results for others

Company overview (3) Long-term results

Consolidated gross profit



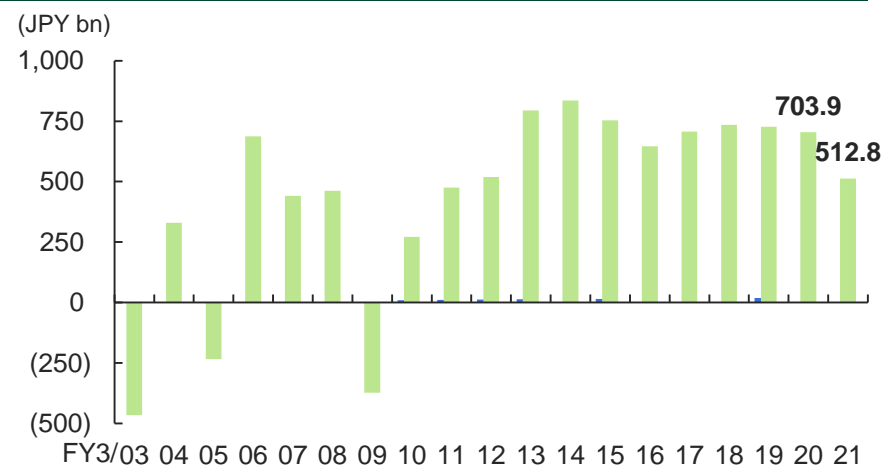
Consolidated net business profit*1



Breakdown of consolidated gross profit

	FY3/03		FY3/21
SMBC's Domestic loan / deposit related	35%	↘	15%
International business (banking)	5%	↗	23%
Group companies excluding SMBC	18%	↗	38%

Profit attributable to owners of parent



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

Medium-Term Management Plan

(1) Core Policy

Mid-long term Vision

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

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

Core Policy

Business
strategy

Transformation

Transform existing businesses

Growth

Seek new growth opportunities

Management
base

Quality

Elevate quality in all aspects

Medium-Term Management Plan

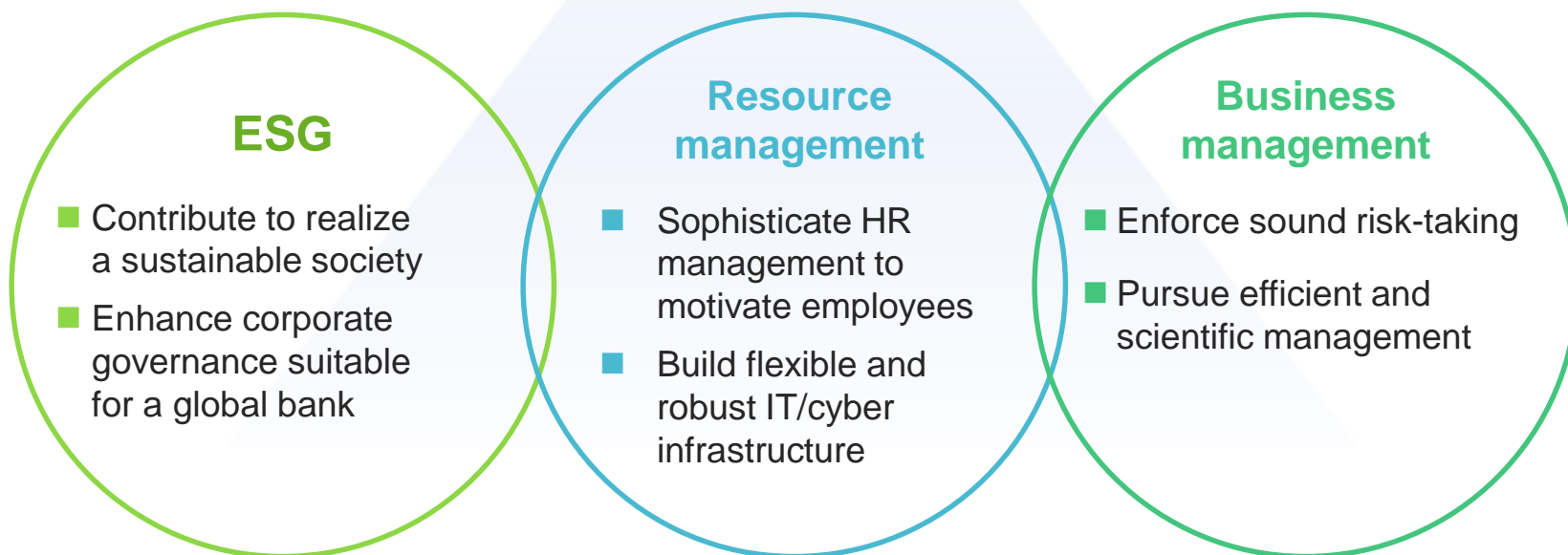
(2) Business strategies – Transformation & Growth –

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



Quality

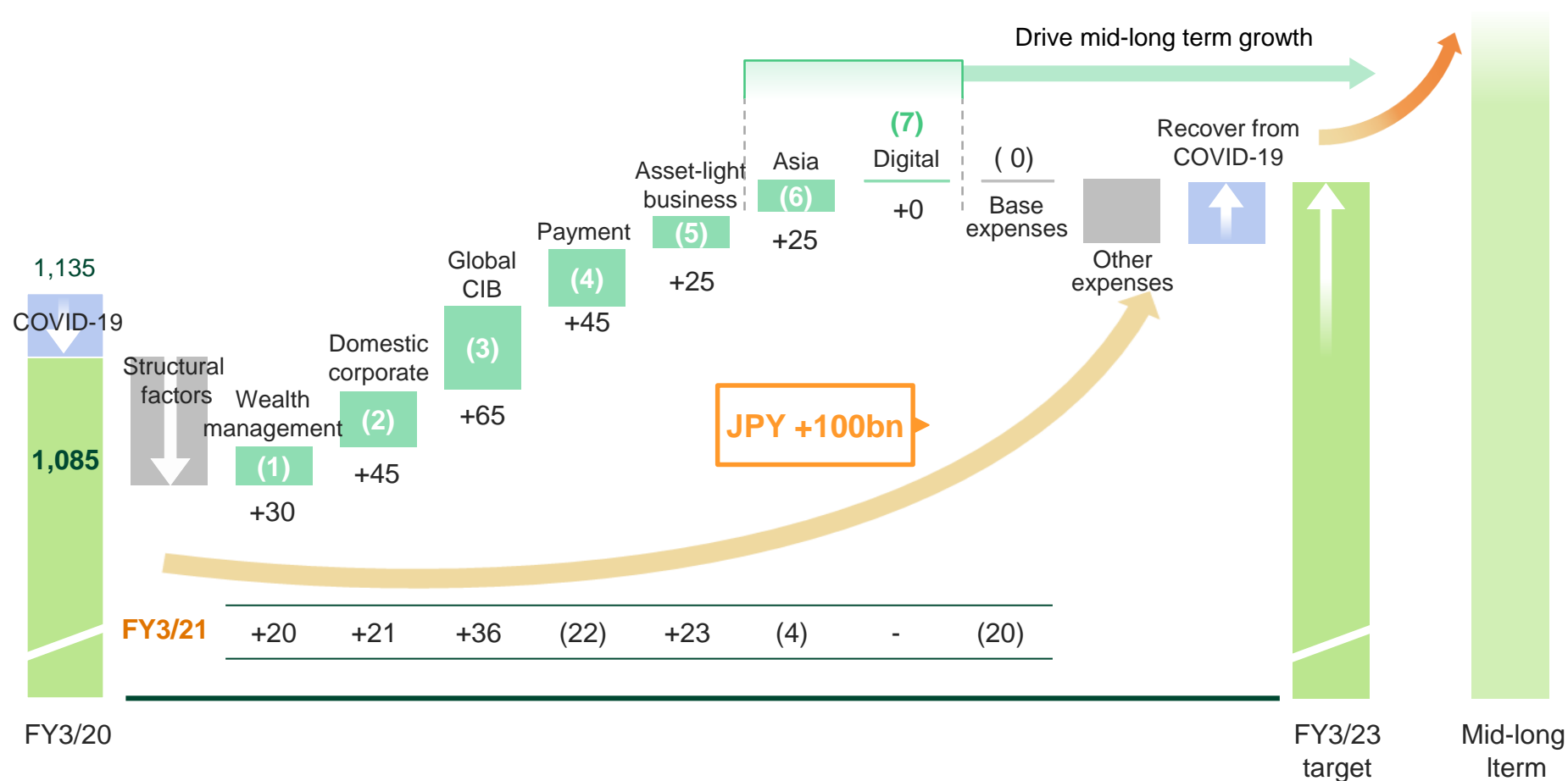
Elevate quality in all aspects



Roadmap to 2022 (1) Profit

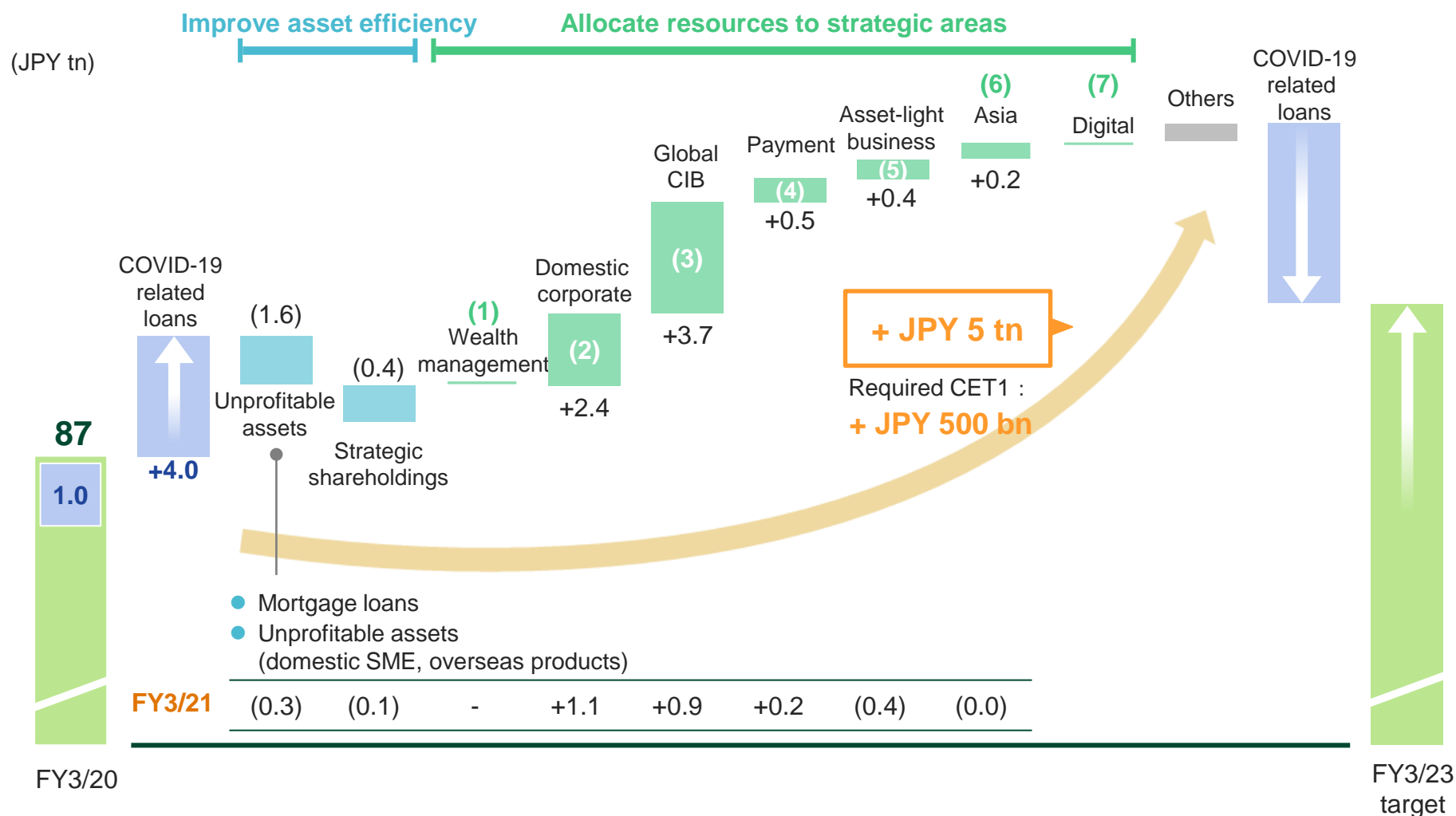
Despite the negative impact from COVID-19 in business areas such as payment business and multi-franchise strategy in Asia, consolidated net business profit increased steadily overall.

(JPY bn)



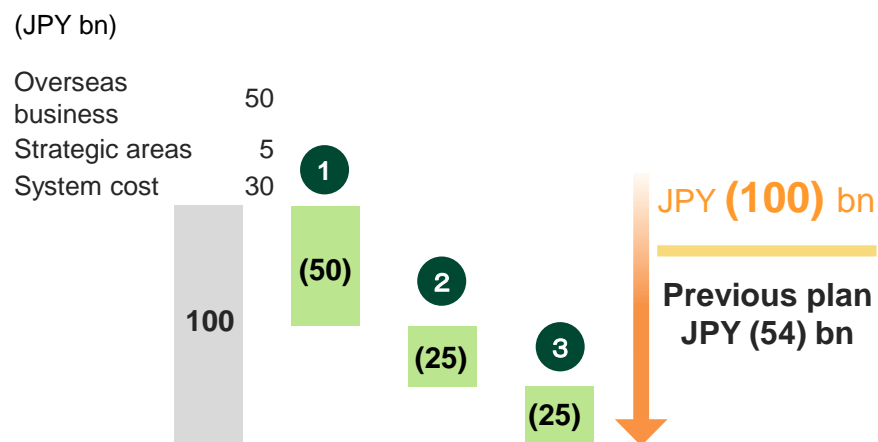
Roadmap to 2022 (2) RWA

Allocate capital in growth areas while reducing unprofitable assets.



Roadmap to 2022 (3) Cost

Control of base expenses



① Reform of domestic businesses

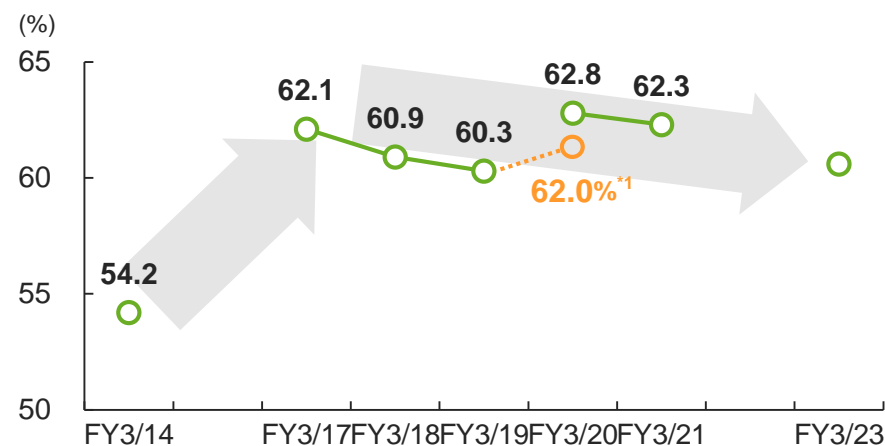
② Retail branch reorganization

③ Integration of group operations

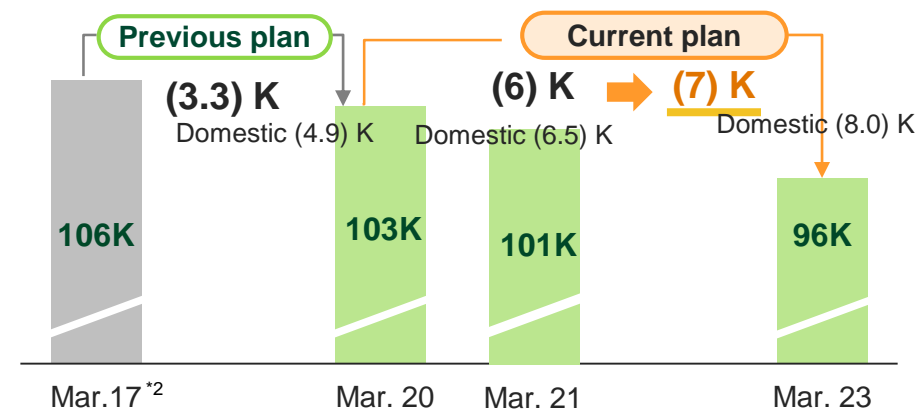
1.5tn

FY3/20

OHR



Headcount



Roadmap to 2022 (3) Cost

Key initiatives of cost reduction

1 Reform of domestic businesses

Cost

JPY (50) bn

Workload

(5.0) K people

Reform of retail business

Optimize resource allocation of wealth management business
Digitalize mortgage loan procedures

Reallocate workforce of domestic wholesale business

Reduce headcounts of headquarters
(30)%

2 Retail branch reorganization

JPY (25) bn

3 Integration of group operations

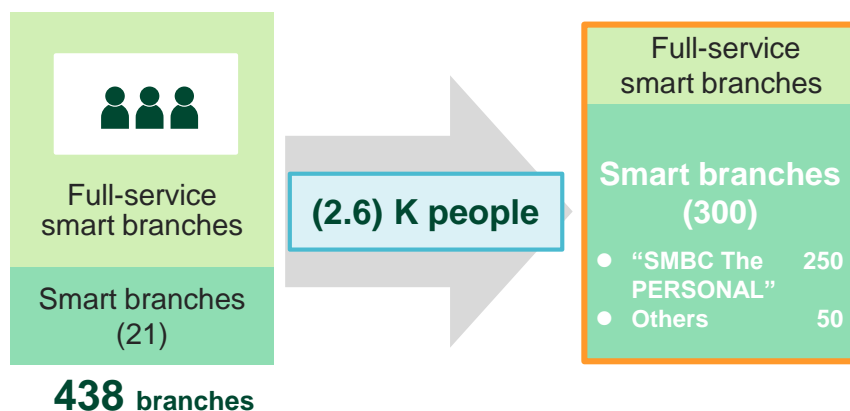
JPY (25) bn

Relocate SMCC and SMBCCF to integrate operations

PMI of asset management business

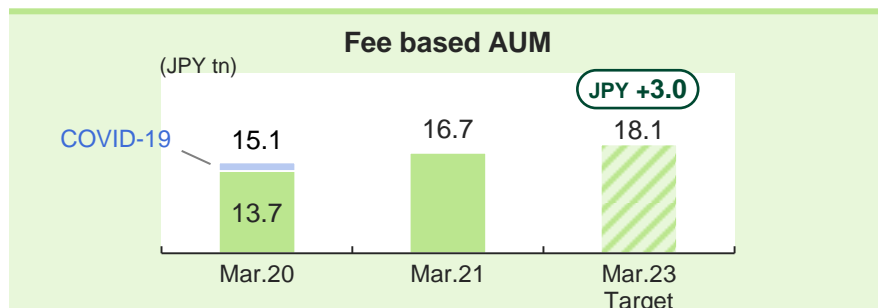
Consolidate data centers / base systems of group companies

(1.9) K people

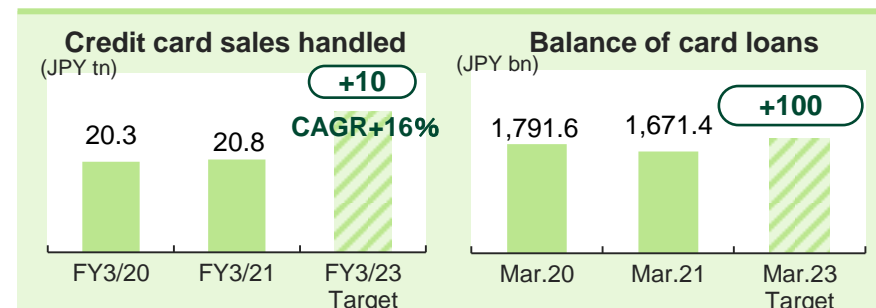


Roadmap to 2022 (4) KPI

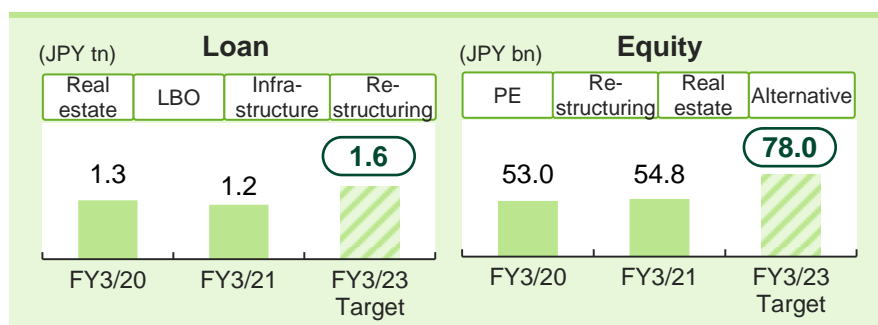
Wealth management business



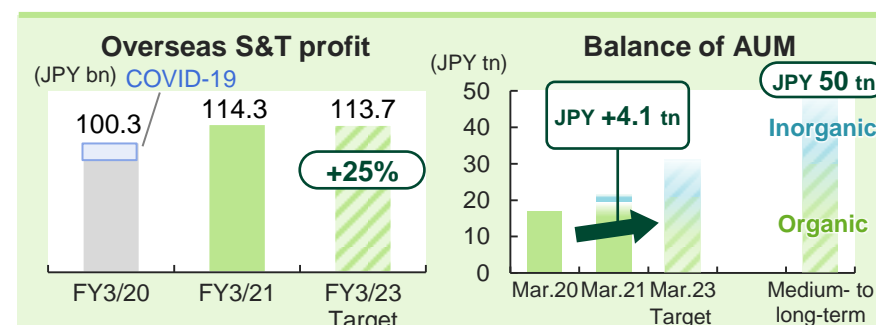
Payment business



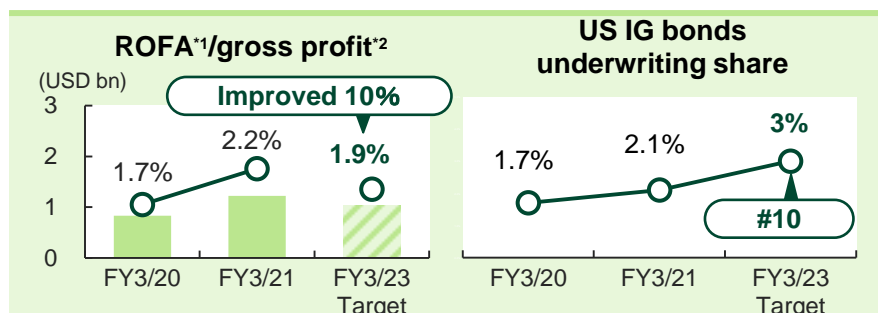
Domestic wholesale business



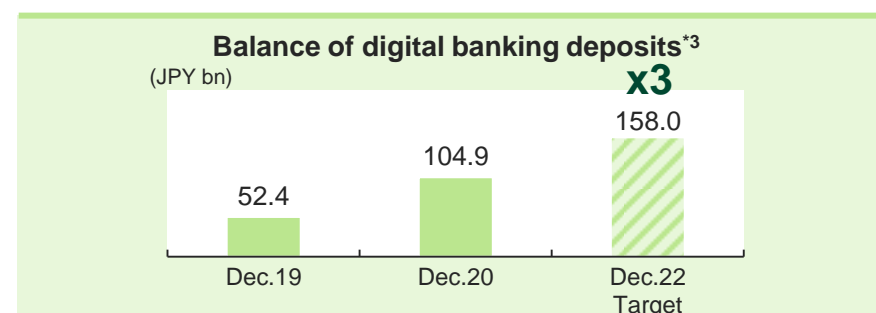
Asset-light business



Overseas CIB business



Multi-franchise strategy in Asia



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

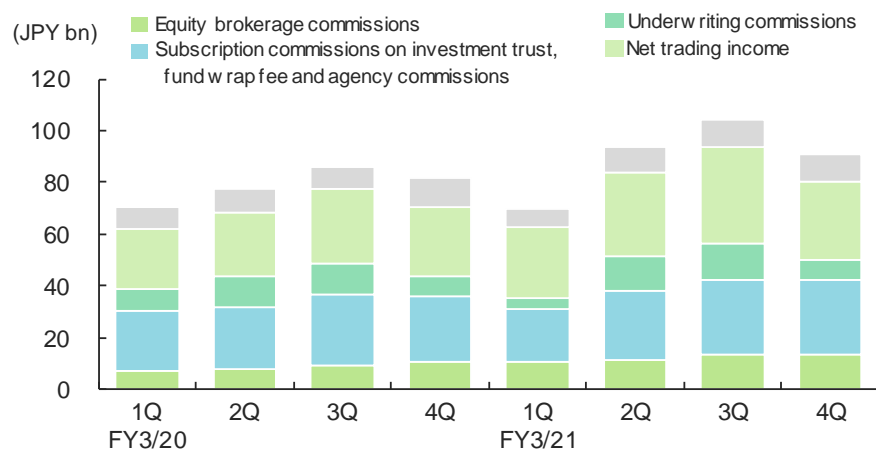
*3 IDR 1 = JPY 0.0079

Group companies (1) SMBC Nikko

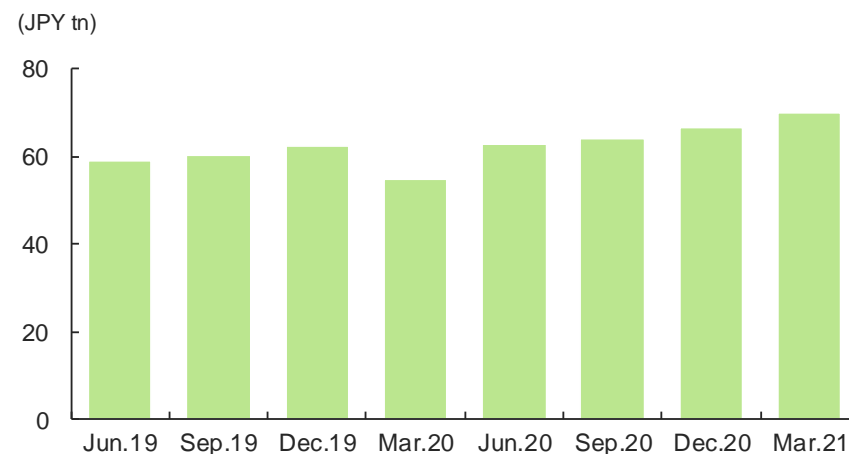
Financial results

(JPY bn)	FY3/20	FY3/21	YoY
Net operating revenue	316.0	357.9	+41.9
SG&A expenses	273.0	273.4	+0.4
Ordinary income	49.8	90.7	+40.9
Net income	39.2	71.7	+32.5

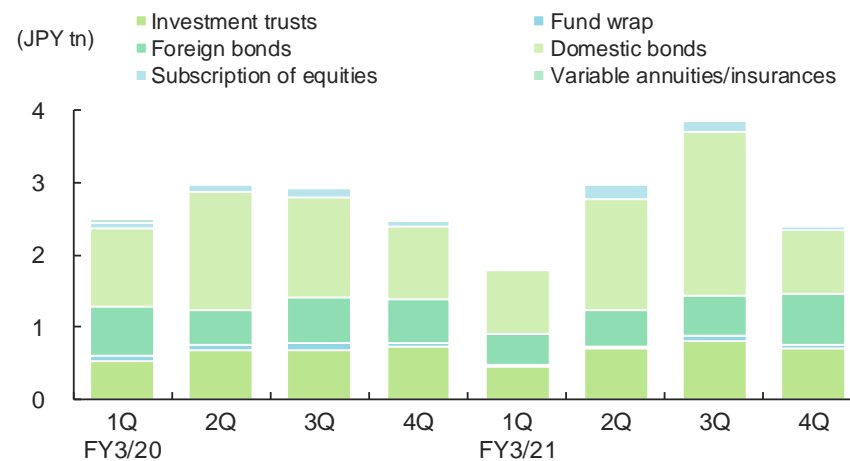
Net operating revenue



Client assets



Product sales



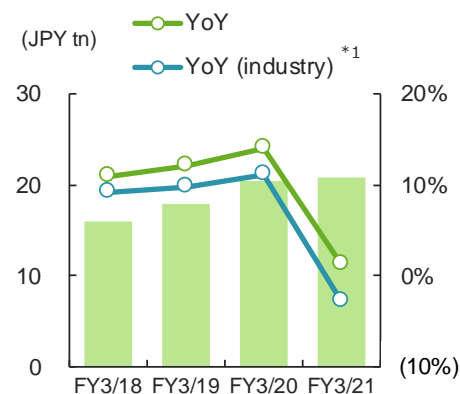
Group companies (2) SMCC

Financial results

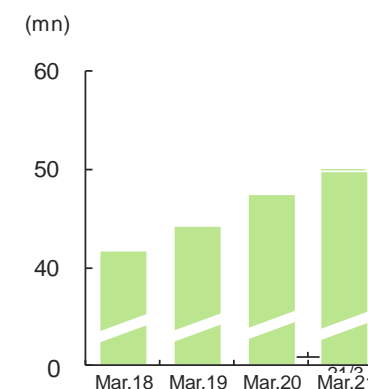
(JPY bn)	FY3/20	FY3/21	YoY
Operating revenue	480.8	447.5	(33.3)
o/w Commission fee	153.0	143.7	(9.3)
Finance	109.2	101.5	(7.8)
Sales on credit	35.8	32.3	(3.5)
Receipt agency	46.7	48.1	+1.4
Operating expense	430.3	413.0	(17.3)
o/w Expenses for loan losses	32.3	22.7	(9.6)
Expense for interest repayments	12.0	14.4	+2.4
Ordinary profit (loss)	50.8	35.3	(15.5)
Net income	38.2	35.8	(2.4)
Finance outstanding	738.3	667.5	

Key figures

Sales handled

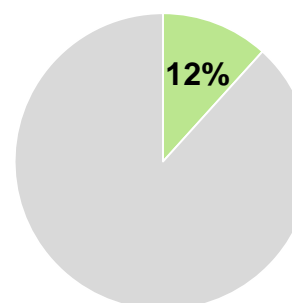


of card holders

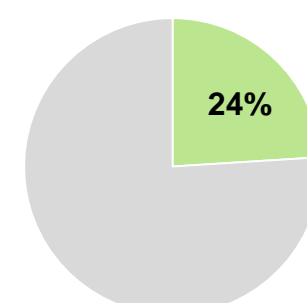


Market share *2

Issuing



Acquiring



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

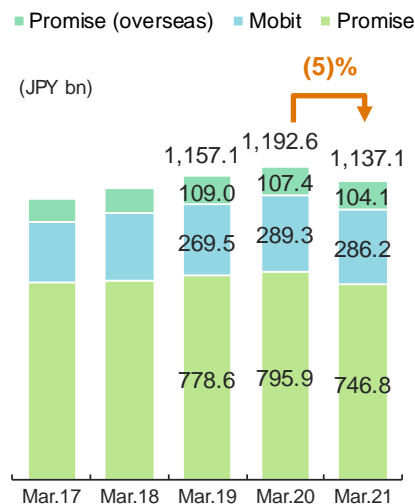
*2 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2020 : JPY 62 tn)

Group companies (3) SMBCCF

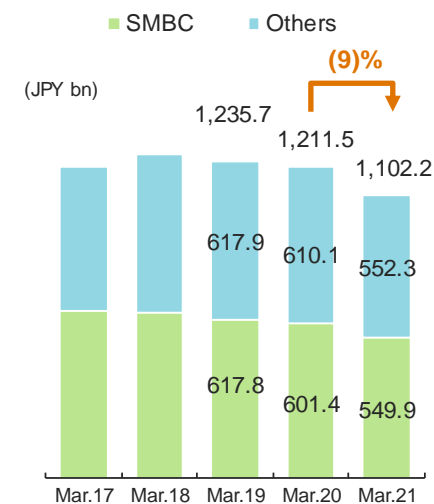
Financial results

(JPY bn)	FY3/20	FY3/21	YoY
Operating income	288.5	273.5	(15.0)
o/w Interest revenues	184.9	178.8	(6.1)
Loan guarantee revenues	68.7	61.1	(7.5)
Operating expenses	228.3	200.8	(27.5)
o/w Expenses for loan losses	68.2	53.3	(14.9)
Expense for loan guarantees	15.3	9.9	(5.4)
Expenses for interest repayments	27.0	24.0	(3.0)
Ordinary profit	60.5	73.5	+13.0
Net income	90.1	54.1	(36.0)
NPLs	78.3	85.2	
(NPL ratio)	6.57%	7.49%	
Allowance on interest repayments (provision)	106.1	100.8	
	3.2 yrs	3.4 yrs	

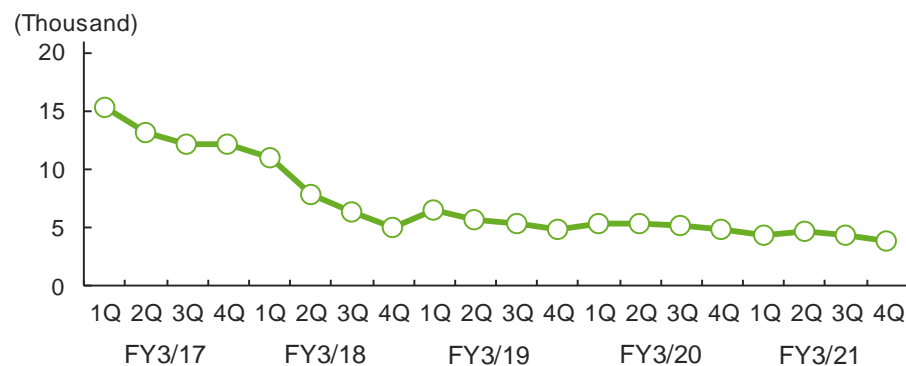
Consumer loans



Loan guarantee



No. of interest refund claims

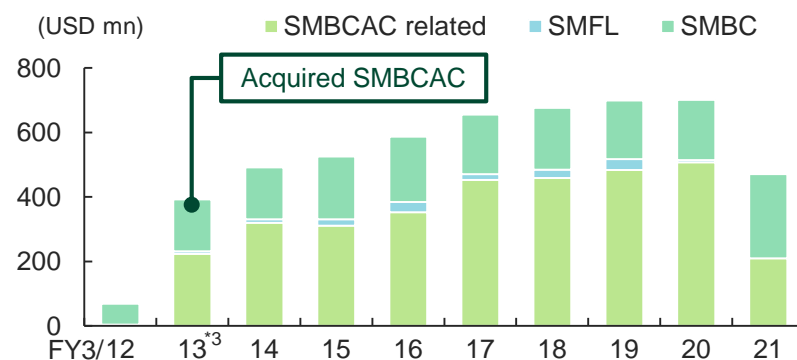


Group companies (4) SMBCAC

Financial results

(USD mn)	FY3/20	FY3/21	YOY
Total revenue	1,283	1,214	(69)
Lease revenue	1,135	1,119	(16)
Credit / Asset impairment charges	32	334	+302
Net income	334	17	(317)
Aircraft asset^{*1}	13,142	15,340	+2,198
Net asset	3,047	3,305	+258
ROE	10.8%	0.5%	(10.3)%

Aircraft business of SMBC Group



of owned and managed aircraft^{*2}

	Company	Country	#
1	GECAS	USA	1,037
2	AerCap	Ireland	1,014
3	Avolon	Ireland	580
4	BBAM	USA	517
5	SMBCAC	Ireland	501

Average age of aircraft

4.1 years (as of Mar.21)

*1 Include Aircraft pre-delivery payments *2 As of Mar. 21 (Source: CIRIUM Portfolio Tracker:Q1 2021)

*3 SMBCAC related includes revenue after the acquisition in June

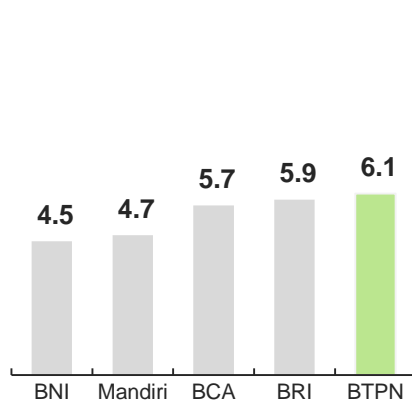
Group companies (5) BTPN

Financial results^{*1}

(JPY bn)	2018	2019	2020	Jan-Mar. 2021
Gross banking profit	77.5	99.6	91.1	24.7
Operating expenses	44.7	56.3	50.9	12.9
Net profits	14.0	20.3	12.9	7.4
ROE	11.6%	9.9%	6.1%	12.9%
Loans	517.8	1,119.9	1,008.0	1,008.4
Deposits	538.4	686.8	745.8	751.8
Total assets	770.2	1,434.9	1,355.4	1,327.9

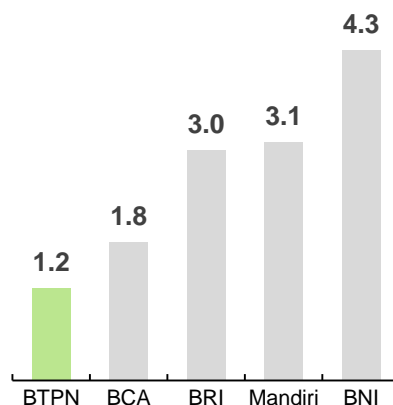
Net interest margin^{*2}

(%)

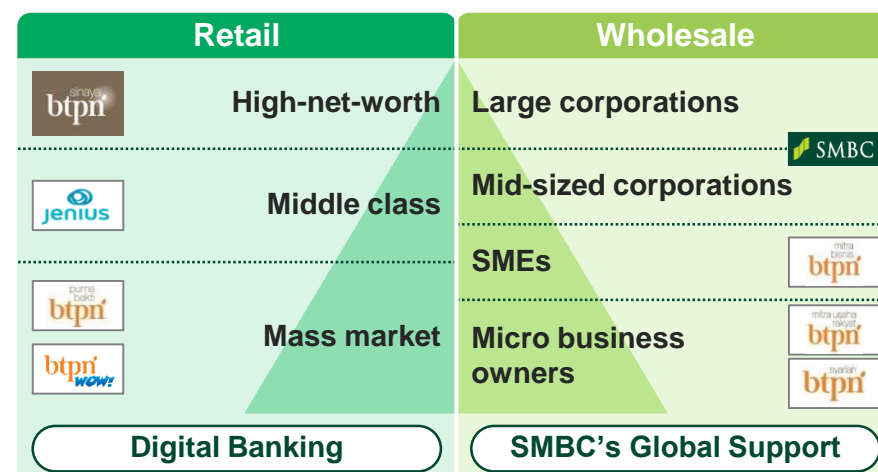


NPL ratio^{*2}

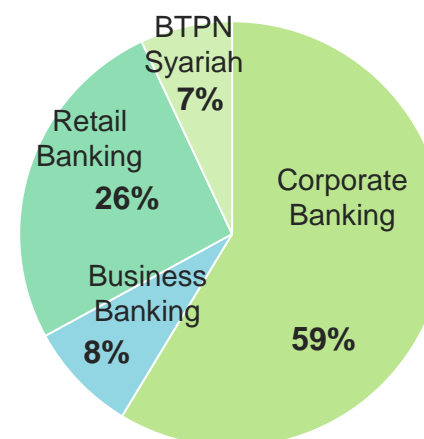
(%)



Customer



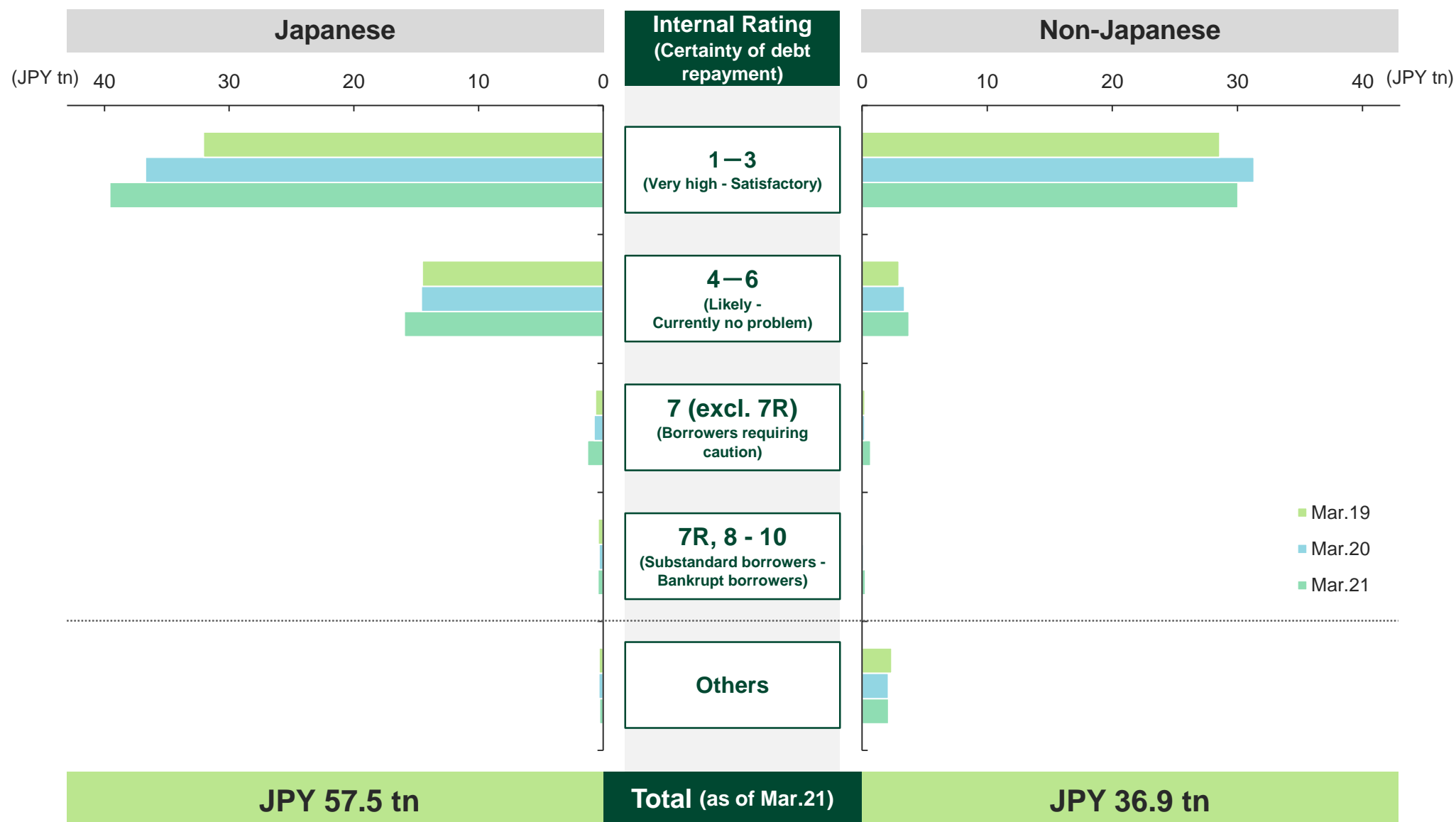
Loan breakdown^{*3}



^{*1} TTM as of Dec. 18: IDR 1 = 0.0076, Dec. 19: IDR 1 = 0.0079, Dec. 20: IDR 1 = 0.0074, Mar. 21: IDR 1 = 0.0076

^{*2} Based on each company's disclosure (Dec. 20 results) ^{*3} As of Dec. 20

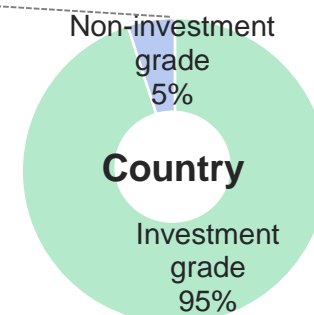
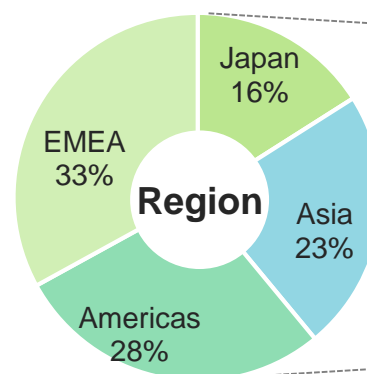
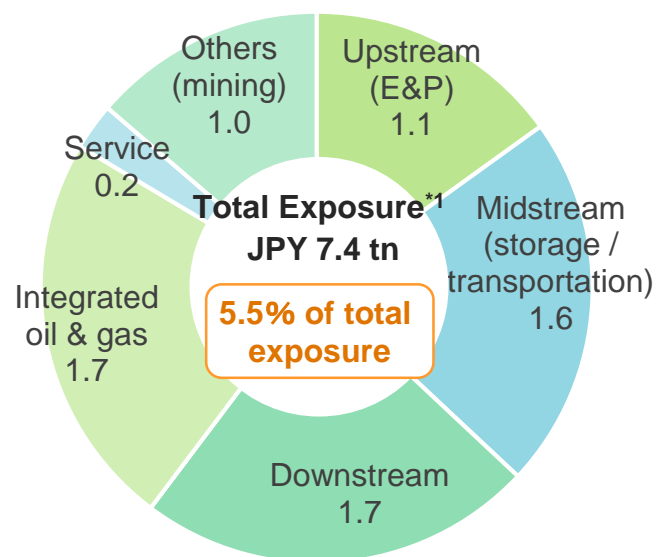
(Ref.) Breakdown by internal ratings*1



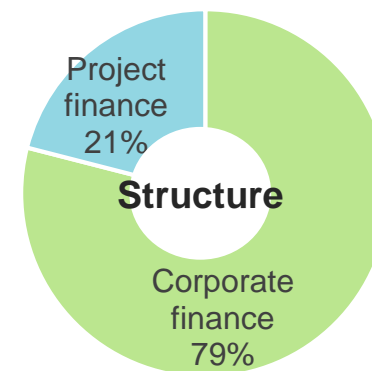
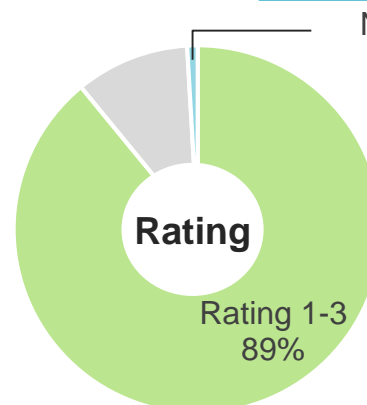
*1 Managerial accounting basis. Exposure includes loans, acceptances and guarantees, foreign exchanges, private placement, suspense payments, undrawn commitments, and derivatives, etc. Excluding the exposure to SMFG consolidated subsidiaries, retail customers in Japan, Japanese government, etc., and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

Exposure (1) natural resources

Been taken cautious approach to non-Japanese upstream and service transactions.



Coverage Ratio
62%



Non- Japanese	Mar. 16	Mar. 21
Upstream (E&P)	24%	14%
Service	7%	3%

(ratio to non- Japanese exposure to natural resources)

As of Mar.21

*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		1.3	1.2	96%	0.7	95%	-	-	-	-	-
Asia (excluding Japan)		2.0	1.7	83%	1.5	82%	0.02	1.6%	0.01	0.01	53%
Americas		2.3	2.1	85%	1.0	83%	0.00	0.4%	0.00	0.00	61%
EMEA		3.0	2.4	92%	1.7	90%	0.01	0.8%	0.00	0.01	78%
Total		8.7	7.4	89%	5.0	87%	0.04	0.8%	0.01	0.02	62%
Oil and gas		6.4	5.3	87%	3.8	85%	0.04	1.1%	0.01	0.01	61%
● Upstream (E&P)		1.1	0.8	83%	0.7	81%	0.01	0.9%	0.00	0.00	53%
● Midstream (Storage/Transportation)		1.9	1.6	85%	1.0	83%	0.00	0.3%	0.00	-	36%
● Downstream (Refining, petrochemical)		1.3	1.0	84%	0.9	84%	0.01	1.2%	0.00	0.01	80%
● Integrated Oil & gas (Majors, state-owned companies, etc.)		1.9	1.7	96%	1.1	94%	0.00	0.4%	-	0.00	100%
● Service (Drilling, field services)		0.2	0.2	55%	0.1	50%	0.02	12.9%	0.00	0.00	43%
● Other resources (Mining)		0.9	0.9	91%	0.5	85%	0.00	0.3%	0.00	0.00	100%
Non-Japanese		7.4	6.2	87%	4.3	85%	0.04	1.0%	0.01	0.02	62%
Oil and Gas		1.1	1.0	96%	0.6	96%	-	-	-	-	-
● Other resources (Mining)		0.2	0.2	100%	0.1	100%	-	-	-	-	-
Japanese		1.3	1.2	97%	0.7	97%	-	-	-	-	-

● Oil & gas : Corporate finance 76%, Project finance 24%

● Other resources : Corporate finance 94%, Project finance 6%

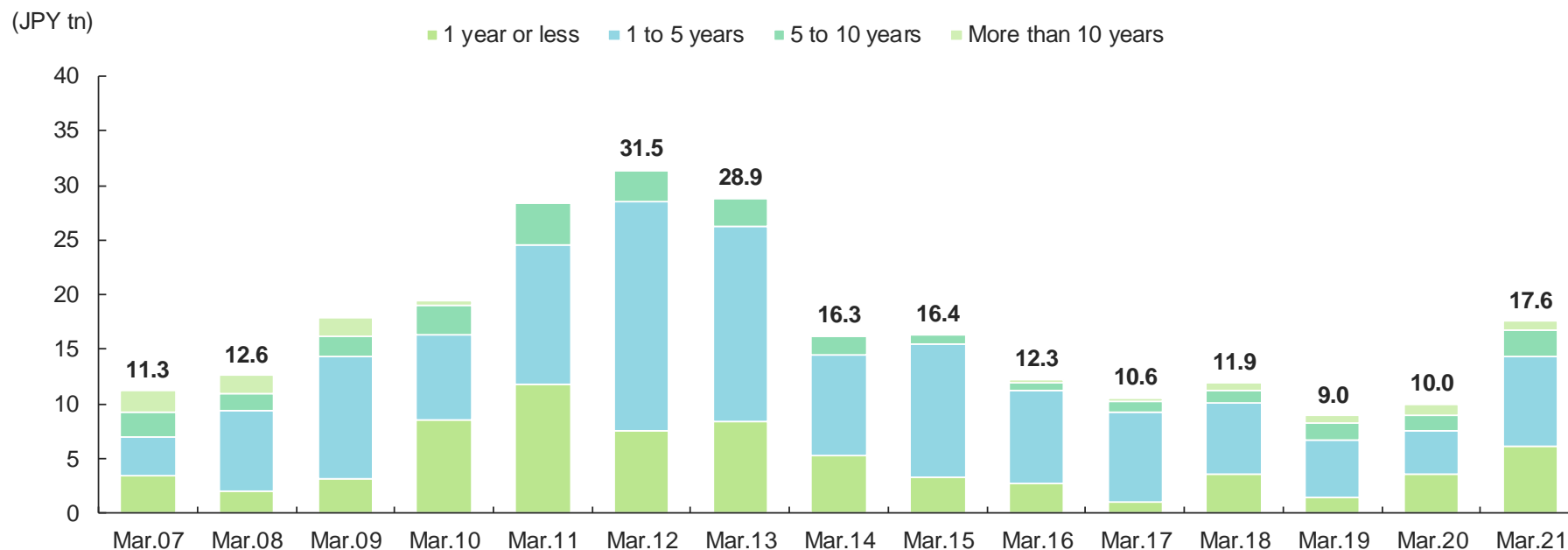
*1 NPLs based on the Financial Reconstruction Act, excluding Normal assets

*2 Claims on borrowers requiring caution are Asia: USD 0.3 bn, Americas: USD 0.5 bn, EMEA: USD 0.5 bn, mainly in Oil & gas

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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 14.3

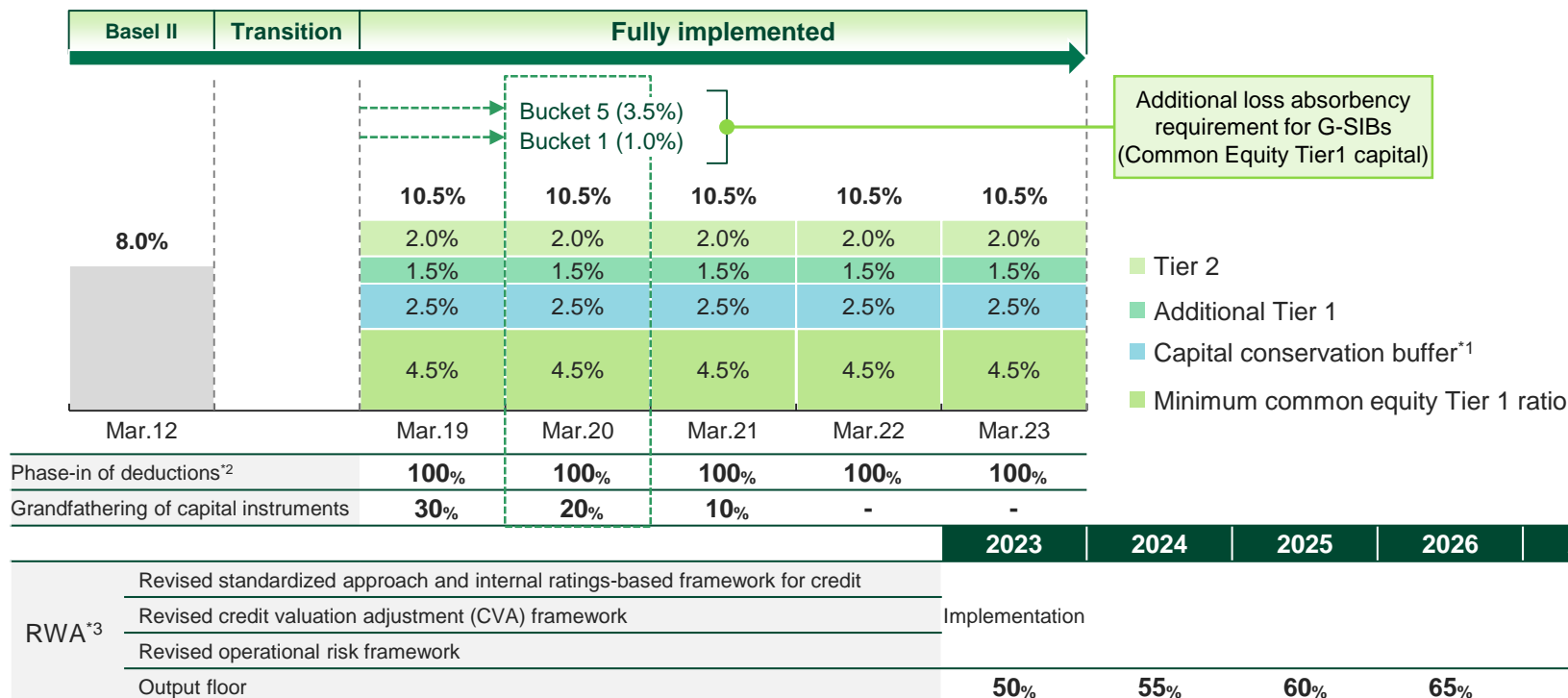
Average duration (years) ^{*1}	1.7	2.4	1.8	1.1	1.4	1.9	1.8	1.1	1.8	2.8	2.9	2.3	3.2	2.9	2.5
Unrealized gains (losses) (JPY bn) ^{*2}	(151.4)	(129.5)	(1.2)	116.1	71.9	104.4	95.3	60.0	45.9	103.8	57.5	44.2	60.5	21.4	7.9

*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	Implementation				

*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

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

(As of Apr. 30, 2021)

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 Credit Suisse 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 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 Apr. 30, 2021)

Moody's	Moody's	S&P	Fitch	S&P Fitch
Aaa				AAA
Aa1				AA+
Aa2				AA
Aa3			<ul style="list-style-type: none"> Bank of New York Mellon JPMorgan State Street 	AA-
A1	SMFG <ul style="list-style-type: none"> Bank of New York Mellon <ul style="list-style-type: none"> <i>Mizuho</i> <i>MUFG</i> Morgan Stanley State Street 		<ul style="list-style-type: none"> Bank of America Groupe BPCE HSBC ING UBS Wells Fargo 	A+
A2	<ul style="list-style-type: none"> Bank of America Goldman Sachs HSBC JPMorgan <ul style="list-style-type: none"> Standard Chartered Wells Fargo 	<ul style="list-style-type: none"> Bank of New York Mellon State Street 	SMFG <ul style="list-style-type: none"> Barclays Citigroup Goldman Sachs Morgan Stanley Standard Chartered 	A
A3	<ul style="list-style-type: none"> Citigroup <ul style="list-style-type: none"> UBS 	SMFG <ul style="list-style-type: none"> Bank of America HSBC ING JPMorgan <ul style="list-style-type: none"> <i>Mizuho</i> <i>MUFG</i> UBS 	<ul style="list-style-type: none"> Credit Suisse <i>MUFG</i> <i>Mizuho</i> 	A-
Baa1	<ul style="list-style-type: none"> ING Credit Suisse 	<ul style="list-style-type: none"> Citigroup Credit Suisse Goldman Sachs <ul style="list-style-type: none"> Morgan Stanley Standard Chartered Wells Fargo 		BBB+
Baa2	<ul style="list-style-type: none"> Barclays 	<ul style="list-style-type: none"> Barclays 		BBB
Baa3				BBB-
Ba1				BB+
Ba2				BB

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