



SUMITOMO MITSUI  
FINANCIAL GROUP

# SMBC Group IR Day

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August 29, 2024

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# Agenda

■ Opening	Group CEO	Toru Nakashima
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■ P3 Wholesale	Deputy President and Executive Officer	Muneo Kanamaru
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■ P10 Retail	Senior Managing Executive Officer	Takashi Yamashita
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■ P23 Global	Senior Managing Executive Officer	Yoshihiro Hyakutome
	Senior Managing Executive Officer	Keiichiro Nakamura

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■ P29 Global Markets	Deputy President and Executive Officer	Masamichi Koike
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■ CFO Session	Group CFO	Fumihiko Ito
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# Wholesale

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**Muneo Kanamaru,**  
**Deputy President and Executive Officer**





# Medium-Term Management Plan

## Financial targets

### ROCET1

FY3/26 Initial target

**10%**

FY3/24

**15.0%**

### Net business profit

FY3/26 Initial target

**JPY 570 bn**

FY3/24

**JPY 632.1 bn**

### RWA

In 3 years (vs. FY3/23)

**+ JPY 1.5 tn**

FY3/24

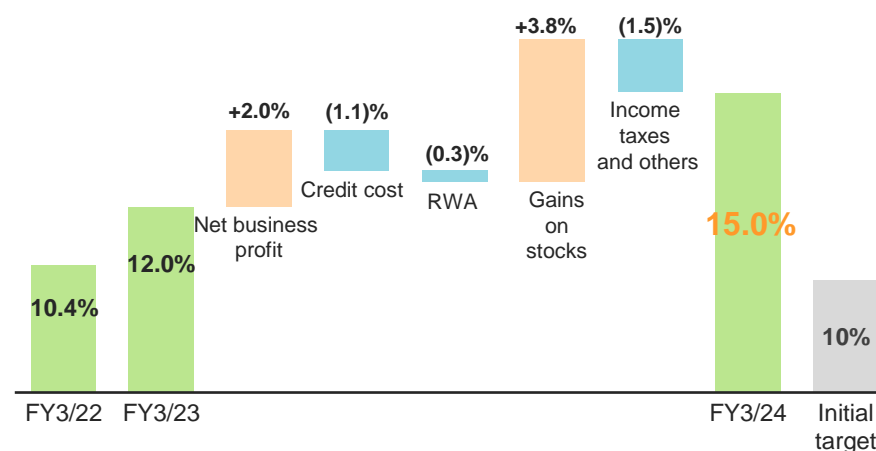
**+JPY 0.7 tn**

## KPI

		FY3/23	FY3/24	FY3/26 target
Payment transactions	(1) # of Corporate transfers	(1) 346 mn	(1) 354 mn	(1) 368 mn
	(2) # of Foreign remittance	(2) 1.6 mn	(2) 1.8 mn	(2) 1.7 mn
	(3) Corporate business handled (JPY)	(3) 1.7 tn	(3) 2.0 tn	(3) 2.6 tn
# of trust brokerage transactions (>JPY 3 bn)		27	38	65
League table of SMBC Nikko M&A deals (≥JPY 10 bn)		#3	#3	#2
Social Value	Sustainable finance	JPY 1.5 tn	JPY 3.3 tn	Total JPY 4.7 tn
	Investment and loans for startups	JPY 32.5 bn	JPY 79.2 bn	Total JPY 135 bn
	Business investment / revitalization finance	JPY 105.5 bn	JPY 161.2 bn	Total JPY 545 bn

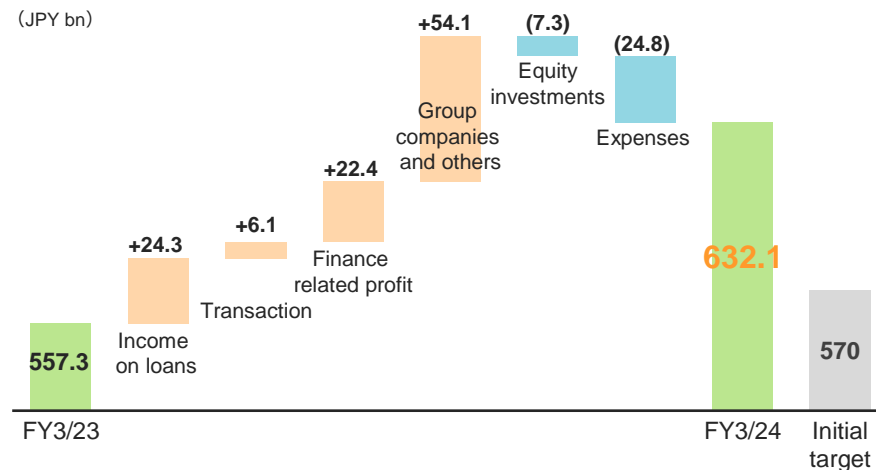
## ROCET1

(JPY bn)



## Net business profit

(JPY bn)



# Direction in FY3/25

## Point of strategy

### Vision

Be a **true solution provider** committed to the sustainable growth with our clients through resolving their **complicated management issues**

### Key strategy

#### Basic policy

- 1 Strengthen group edge by **enhancing expertise**
- 2 **Build a new sales structure** leveraging digital
- 3 **Build portfolio of high ROE businesses**

### Strategy in FY3/25

<Short-term>  
Pursue upside



<Medium-to long-term>  
Accelerate growth strategy

Upgrade management of loans and deposits

Challenge further risk-taking for growth

Build medium- to long-term revenue pillar

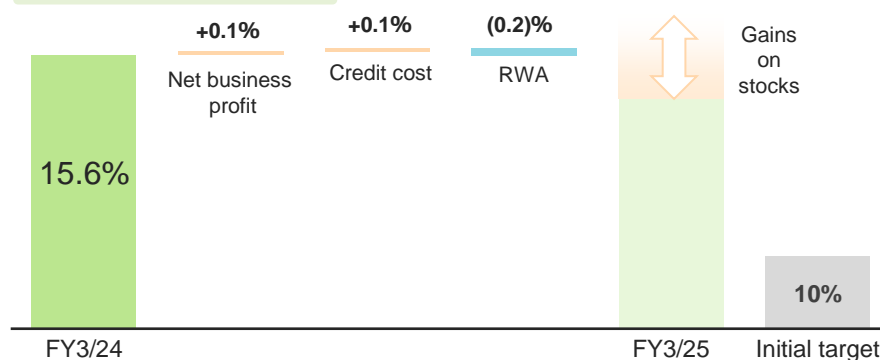
Build a new sales structure

Create social value

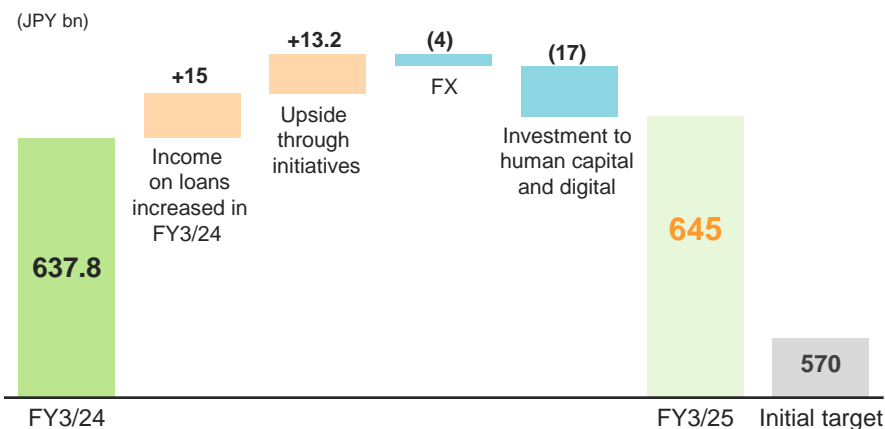
Foster a compliance culture

## FY3/25 target\*1

### ROCET1



### Net business profit

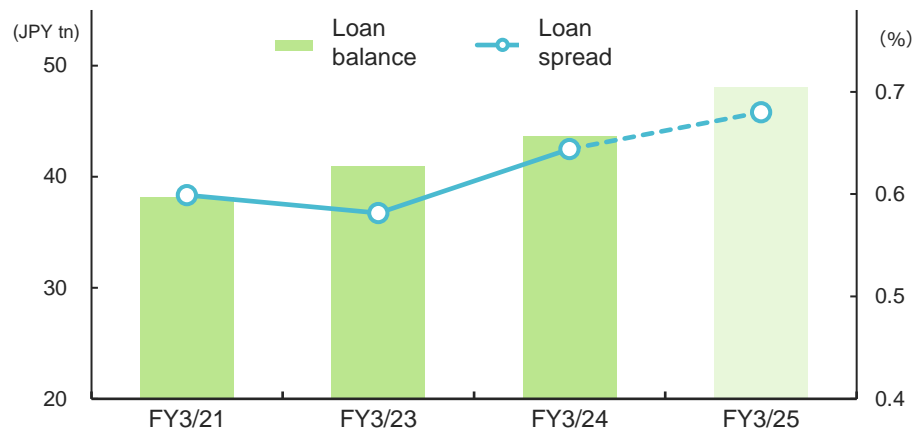


\*1 After adjustments of the changes of interest rates and exchange rates

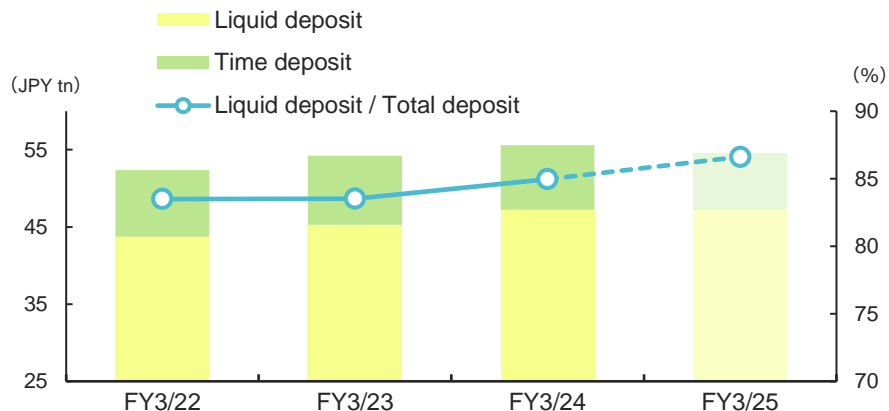
# Upgrade loans and deposits management

## Loans / deposits

### Loans



### Deposits



## Improve capital efficiency

### 1 Adapt to change of environment

#### Allocate assets to high profit business

PE fund business

Real estate business

#### Enhance profitability management

Increase spreads from corporate finance

FY3/25 net business profit **+JPY 2 bn** (vs.FY3/24)

Enhance ROE management at branches

FY3/24 ROE Improvement **+4.0%** (vs.FY3/23)

### 2 Acquire deposits through payment solutions

Sticky deposits linked to commercial flow becomes more important

#### Provide payment solutions on group basis

Franchise contract

Direct debit

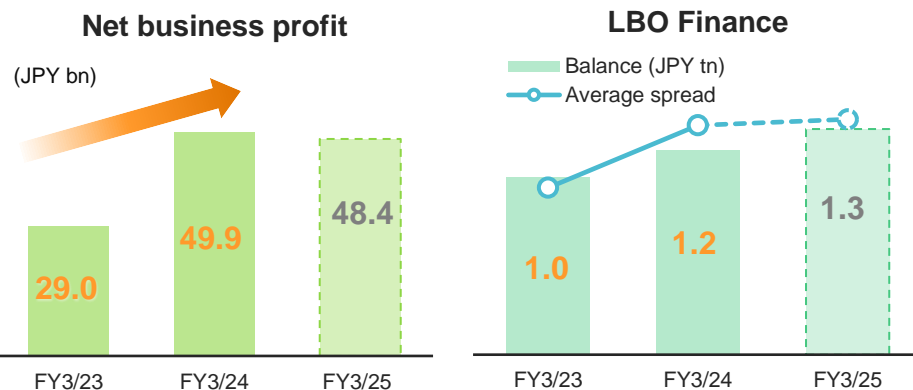
Corporate card

Domestic CMS

# Further strengthen risk-taking for growth

## PE fund business

### Progress



### Key strategy

#### 1 Strengthen core earnings

##### Capture value chain

- Solution for exits
- Capability for LBO mezzanine

Gross profit  
JPY 50 bn ⇒ JPY 80 bn

##### Enhance risk control

- Establish specialized department
- Control assets by sales of loans

Credit costs  
Maintain c.2.5%

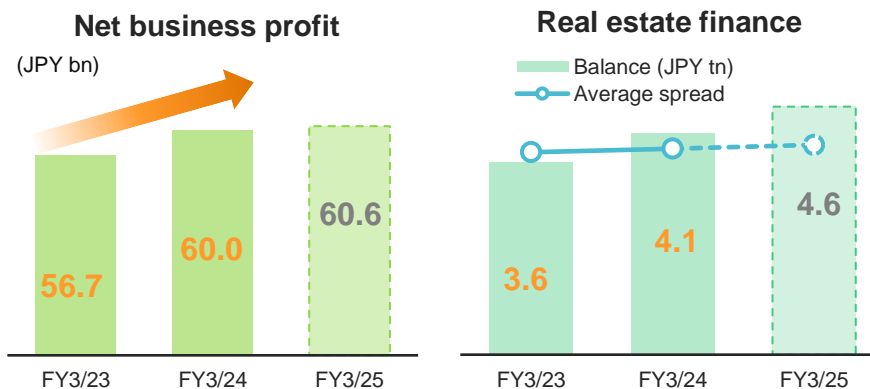
#### 2 Medium- to long-term initiatives

##### Expand the domestic LBO market

- Considering the launch of JPY 100 bn debt fund

## Group real estate business

### Progress



### Key strategy

#### Strengthen capability for large corporations

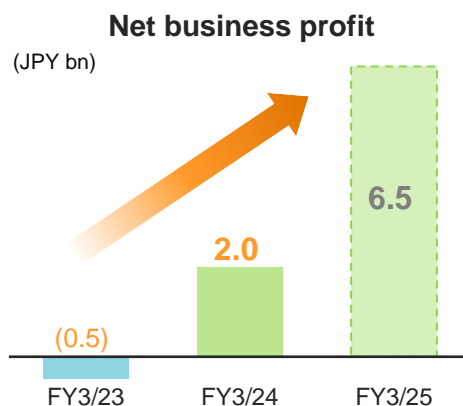
- Increase profit by providing total solution from finance to brokerage
- Allocate new resources and increase mid-career recruitment

	Profit from large corporations <sup>*1</sup>	Allocation of human resources <sup>*2</sup>
SMBC	+27%	+22%
SMBC Trust	+46%	+25%

# Build medium-to long-term revenue pillars

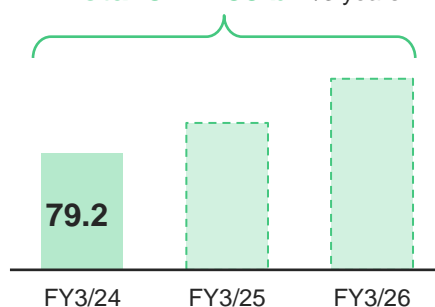
## Start-up business

### Progress



### KPI: Investment and financing for startups

Total JPY135 bn /3 years



### Key strategy

#### 1 Venture debt

- Establish new program for companies in early stage
- Expand the scope of finance

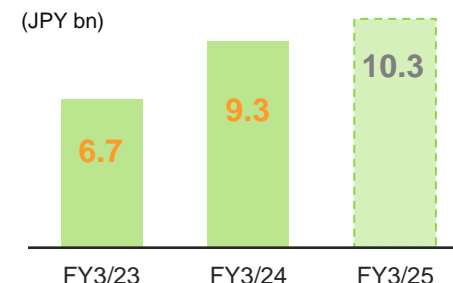
#### 2 Equity

- Entry into startup support
- Strengthen business development skills
- Expand growth investments

<Net business profit >		(JPY bn)	
		FY3/24	FY3/26
Loans for ventures		0.5	1
Investment		-	7.1
	Growth	-	2.1

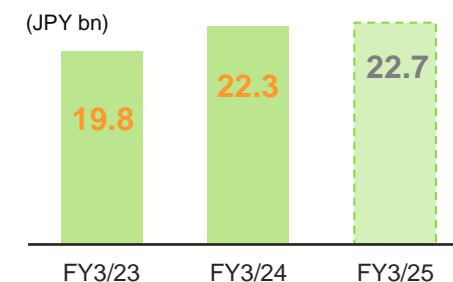
## Turnaround business

- Revitalization finance
- Risk taking e.g.LBO mezzanine
- Equity investments to support clients regrowth



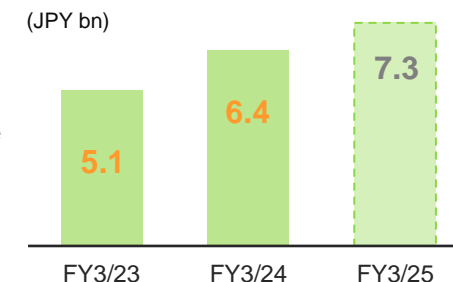
## Sustainable business

- Provide group-wide solutions
- Support decarbonization with the Transition Finance Playbook



## Cashless payment business

- Expand approach to merchants
- Promote comprehensive payment solutions by merger of SMCC and SMBCFS

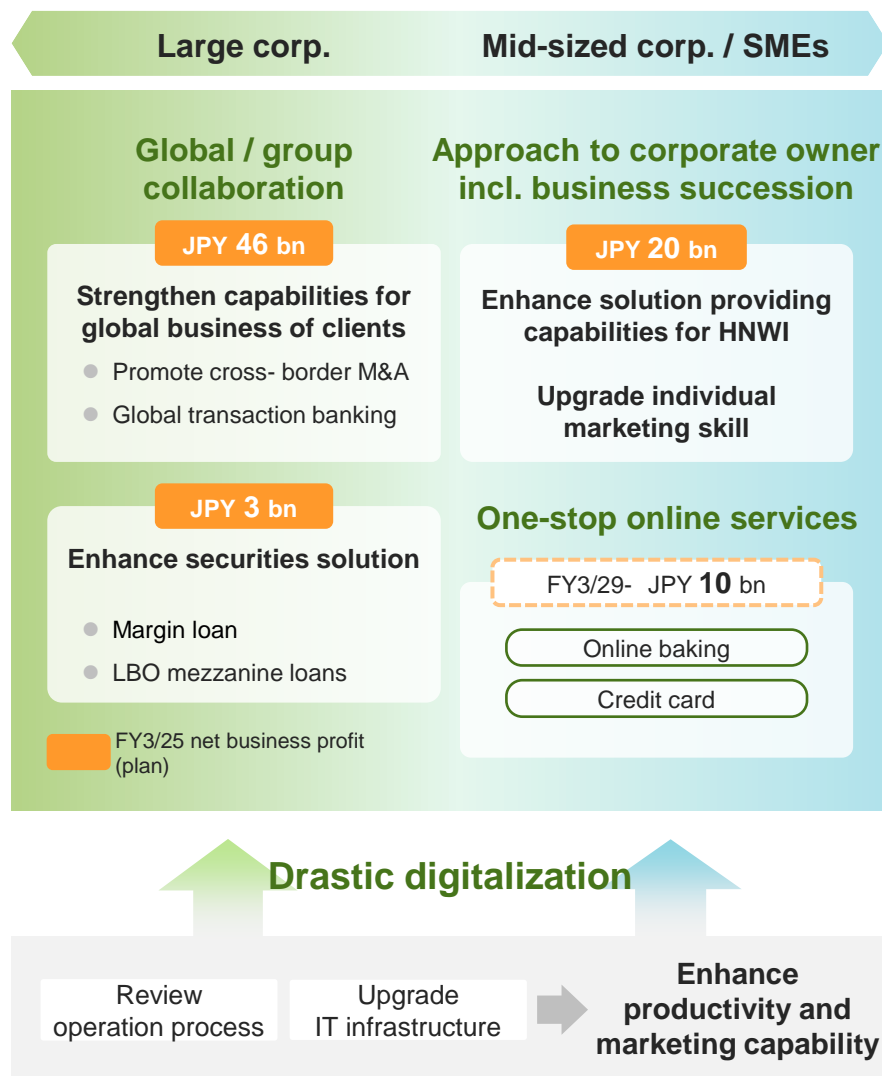


Create social value by promoting business line strategy over the medium-to long-term



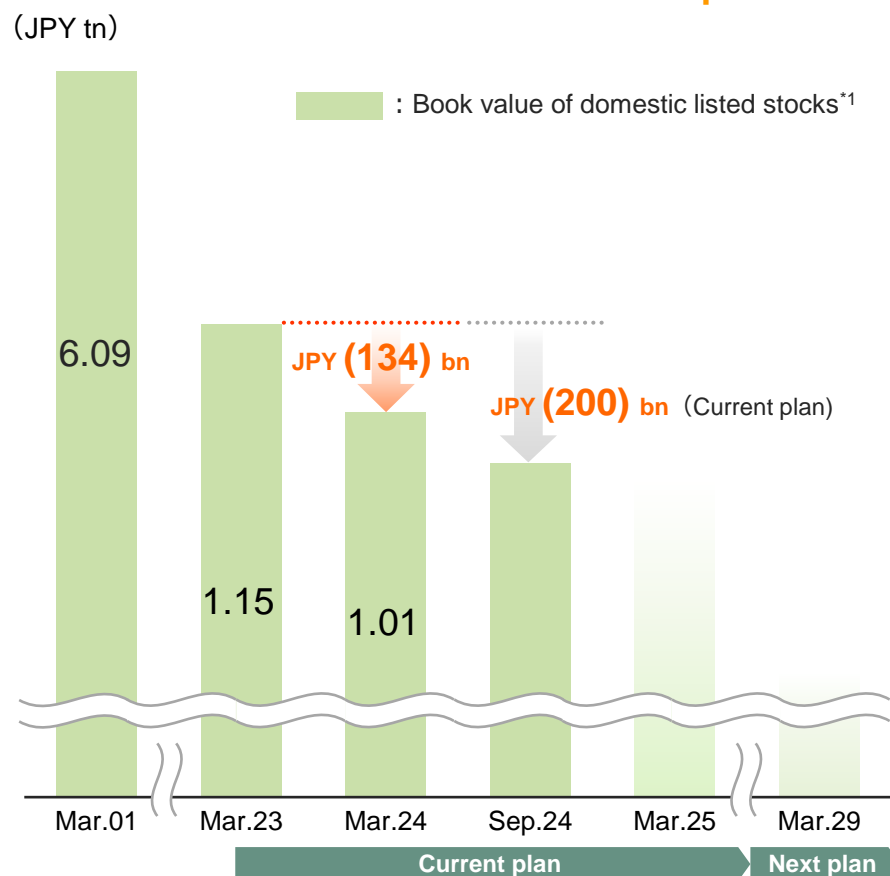
# Build a new sales structure / Equity holdings

## Build a new sales structure



## Reduction of equity holdings

**Achieve current plan in 1H FY3/25 and announce a new reduction plan**



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

# Retail

**Takashi Yamashita,**  
**Senior Managing Executive Officer**

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# Medium-Term Management Plan

## Strategy

### Vision

Be the most reliable Japanese financial group contributing to “prosperous life” and “Fulfilled Growth” for customers

### Key strategies

- 1 Strengthen retail business strategy centered on Olive
- 2 Pursue group-based hybrid channel strategy
- 3 Expand share of payment business and consumer finance
- 4 Enhance group-based wealth management business
- 5 Create social value

## Financial target

### ROCET1

FY3/26

**8%**

FY3/24

**3.0%**

### Net business profit

FY3/26

JPY **245** bn

FY3/24

JPY **215.7** bn

### RWA

In 3 years

**+JPY 0.2** tn

FY3/24

**+ JPY 0.9** tn

## KPI

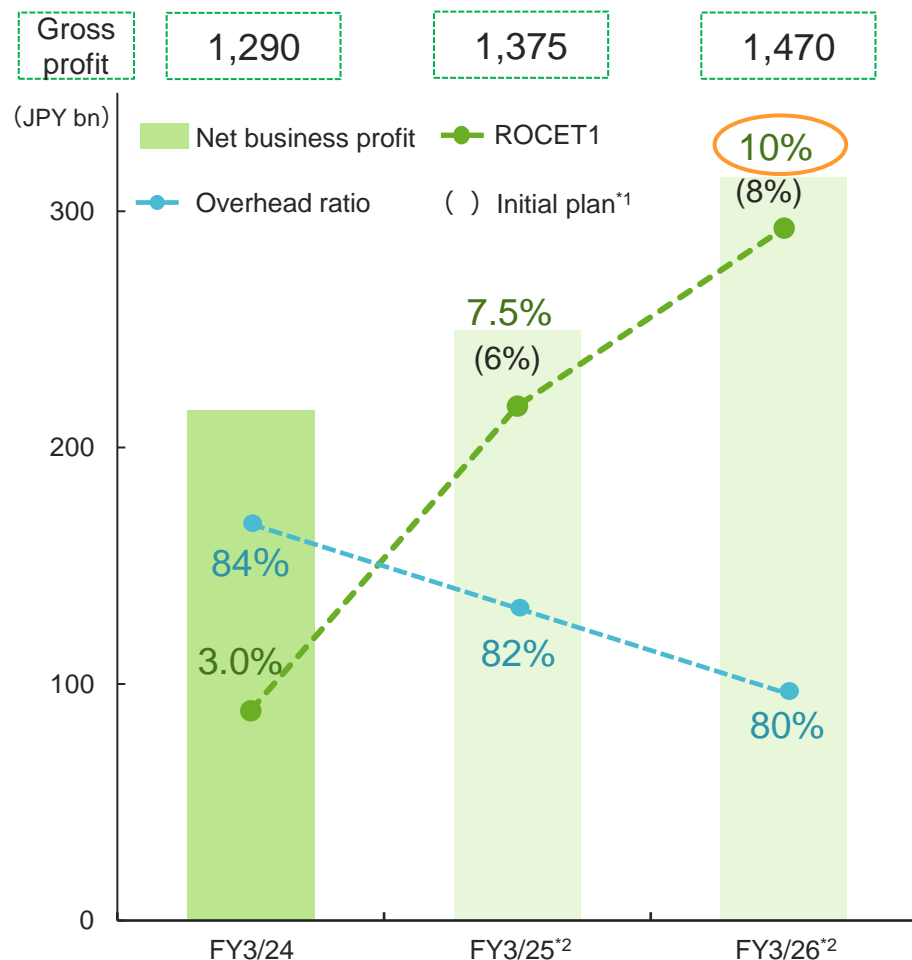
	FY3/23	FY3/24	FY3/26
AM <sup>*1</sup> / foreign currency balances	JPY 13.5 tn	JPY 17.2 tn	JPY 18 tn
Credit card sales handled	JPY 30.2 tn	JPY 34.7 tn	JPY 48 tn
Finance balance	JPY 2.5 tn	JPY 2.6 tn	JPY 3 tn
# of Olive accounts opened	—	2.02 mn	5 years after the release in Mar.23 12mn
Effect of channel reform	—	JPY (6.3) bn	In 3 years JPY (28) bn
Social value			
# of financial literacy programs participants	—	+343K	In 3 years +570K

\*1 Investment trust, fund wrap, discretionary portfolio management, and joint managed money in trust

# Medium-Term Management Plan

## Earnings and profitability

### Net business profit / ROCET1



### Progress

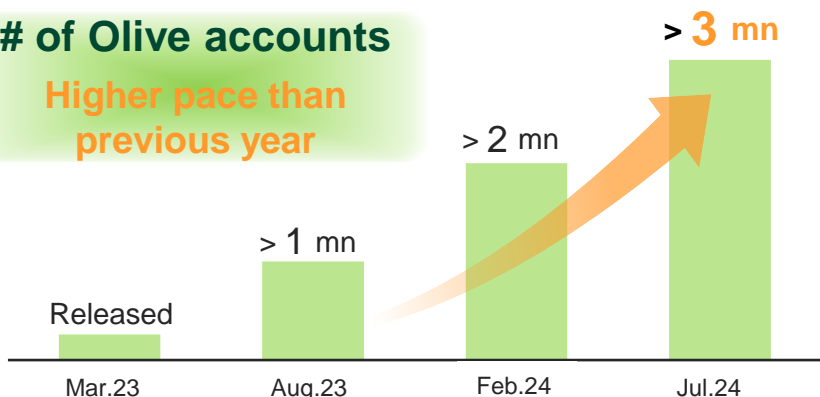
- **FY3/24: exceeded the target of net business profit by + JPY 27 bn**
  - Tailwind in the business environment (interest rate / FX / stock price, etc.)
  - Expanded the volume exceeding the targets in major businesses
  - Enhance customer base and services as well as improving overhead ratio
- **FY3/25- : Aim to increase profitability exceeding the target while investing in service enhancement**
- **FY3/26: Improve ROCET1 up to 10% (+7% in 2 years)**

# Expand group retail business centered on Olive

## Progress of Olive

### # of Olive accounts

Higher pace than previous year



Domestic deposit balance<sup>\*1</sup> YoY **135%**

## Increase in deposits via Olive

### 1 Region

# of new accounts <sup>*2</sup>	YoY
Tokyo, Nagoya, Osaka	142%
Others	244%
Total	151%

### 2 Salary transfers

Jul. 24	YoY
# of salaried employees <sup>*1</sup>	152%

### 3 Large volume inflow<sup>\*2</sup>

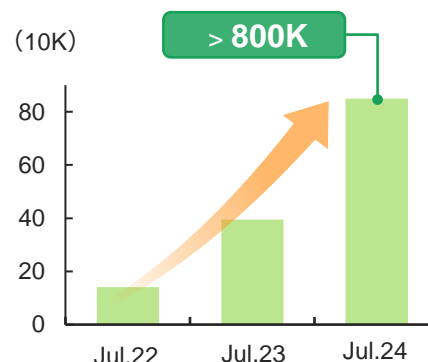
Inflow ≥10mn	YoY
# of inflow	126%
Total inflow amount	126%

### 4 Deposit increase in existing customers (Feb.23 → End of Jul.24)

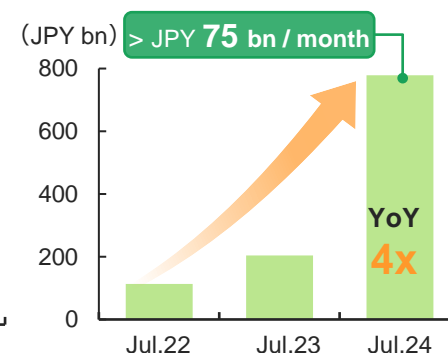
Not switched	109%
Switched to Olive	117%

## SBI brokerage and use of credit card

### # of SBI brokerage accounts



### SMCC installment investment



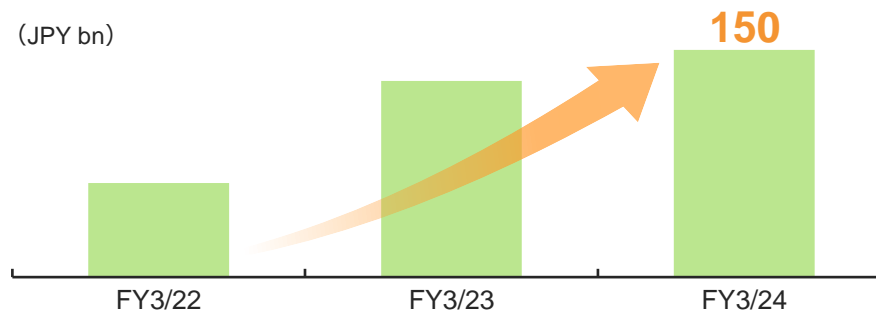
Increase at pace > JPY 1 tn / year<sup>\*3</sup>

Average sales<sup>\*4</sup> of SMCC credit card per Olive user

FY3/24 → YoY **164%**

## Expand to nationwide transaction using digital

### Sales of investment products (SMBC)<sup>\*5</sup>



<sup>\*1</sup> As of Jul.24, new account openers in one year after the release of Olive <sup>\*2</sup> Transaction in Mar.23– Jul.24

<sup>\*3</sup> Annualized basis <sup>\*4</sup> Olive members who hold SMCC credit cards for more than one year

<sup>\*5</sup> Investment trusts, foreign currency deposits, financial product intermediation, public bonds, life insurance etc.



# Strengthen retail business strategy centered on Olive

## Collaborate with “Money Forward”

Support household account management



# of Money Forward ME users  
**>16 mn**\*1

Household account book  
with flexible money transfer

## Collaborate with “Hopper Technology Solutions”

Provide travel services leveraging strengths

### Strengths

Lowest price guarantee

Price freeze

Guarantee change and cancellation of reservation

# of download in U.S. **> 120mn**\*2

## Collaborate with “CCCMK HOLDINGS”

- 86 mn users after merger of the two point programs
- Able to use points at: Japan 7.5 mn / global 100 mn stores
- Expand affiliated stores where users can earn points

New affiliated stores (Apr. 24)



- Improve awareness by merger

Before announcement :  
beginning of Jun. 23

After merger : end of May 24



Awareness **79.7%**



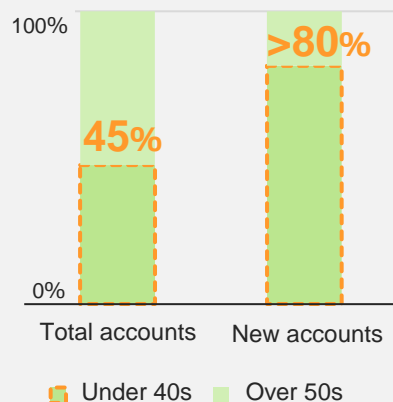
Awareness **29.5%**



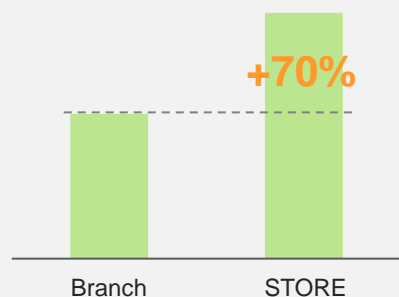
Awareness of V Point **71.7%**

# Digital-real hybrid channel strategy centered on Olive

## Background of account openers\*1



## Monthly average # of visitors under 40s



## Open 250 STOREs to expand customer touchpoints

- Open in commercial facilities as well as expanding Olive

Provide face- to- face services

Increase customer touchpoints

Reduce branch costs

- Start “Olive LOUNGE” as a new model and increase further

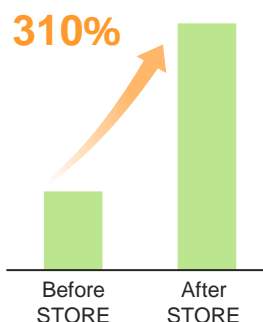
## Effect of STORE

### Customer base\*2

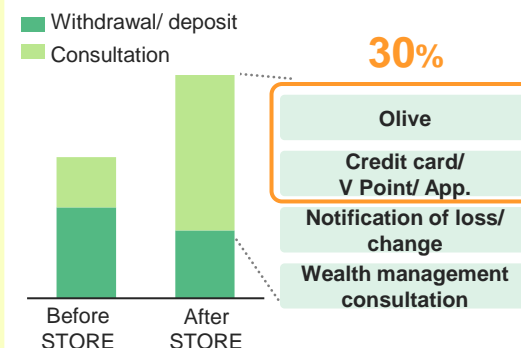
# of Olive accounts  
**+83K**  
(total 144K)

AUM\*3  
**+JPY 170 bn**  
(total JPY 4.1 tn)

### Average # of visitors



### Purpose of visiting



## # of STOREs

Aug.24  
**56 STOREs**

FY3/24- 26  
**>250 STOREs**

## Cost reduction

Mar.24  
**JPY (6.3) bn**

FY3/24- 26  
**JPY (28) bn**

\*1 # of new account openers in one year since the release of Olive \*2 Customers of STOREs in FY3/23- FY3/24

\*3 Sum of yen deposit + foreign currency deposit + investment trust + life insurance + securities brokerage

# (Ref.) Olive LOUNGE

## Current progress

Convert a branch located at highly attractive terminal station into Olive LOUNGE  
(Opened in May 24)

Effect on the web  
through the opening event

Landing page\*1 of  
Olive LOUNGE

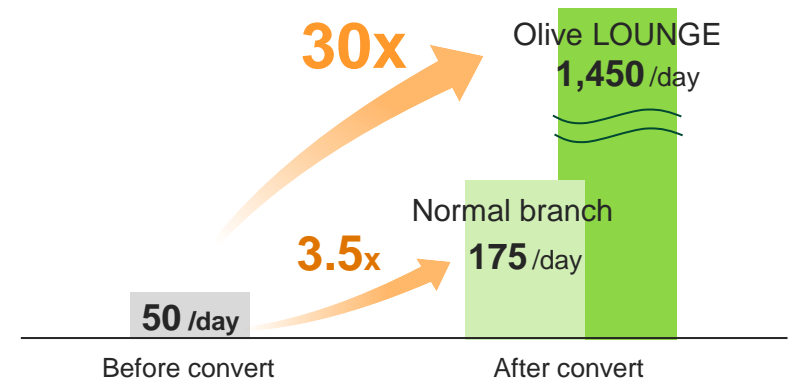
# of viewers  
(excl. duplicate)

1 mn people /year\*2

Expected acquisition  
of Olive \*3  
15K /year



## # of Visitors



## Future plan

Transform a branch to  
a symbol of the town in front of  
the suburban station  
(Scheduled to open in Oct. 24)



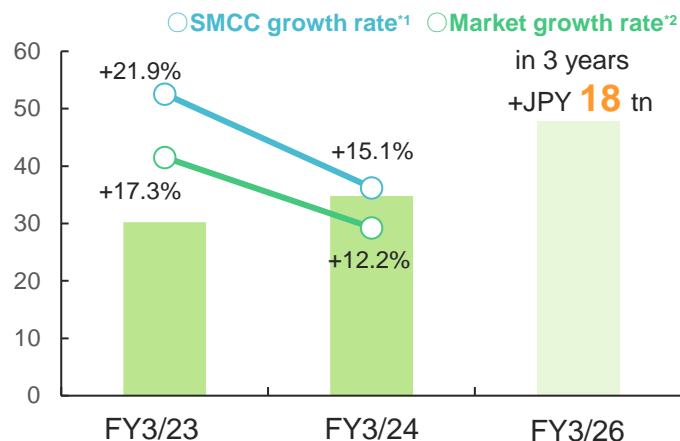
\*1 The first page accessed from search results, web advertisements, etc. \*2 Annualized viewing performance

\*3 Estimated based on past performance

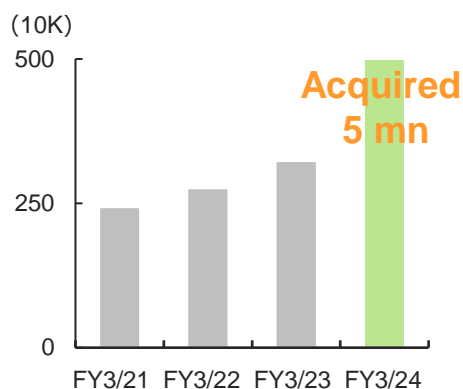
# Expand payment business / consumer finance

## Payment business

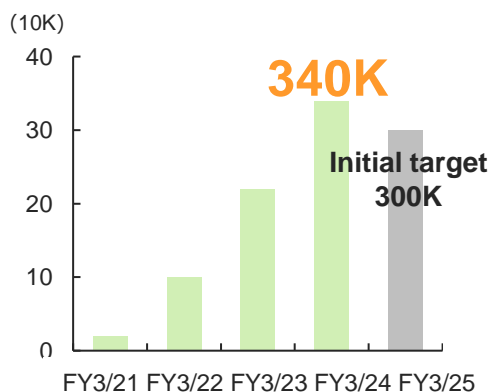
### Credit card sales handled



### # of card holders

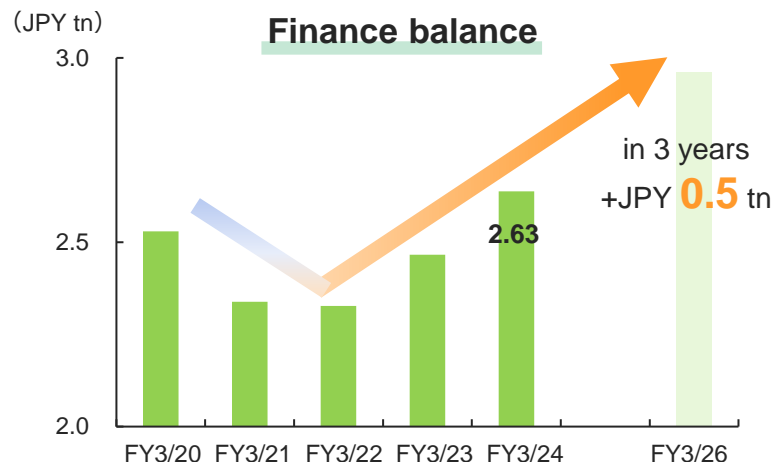


### Stera terminal installation

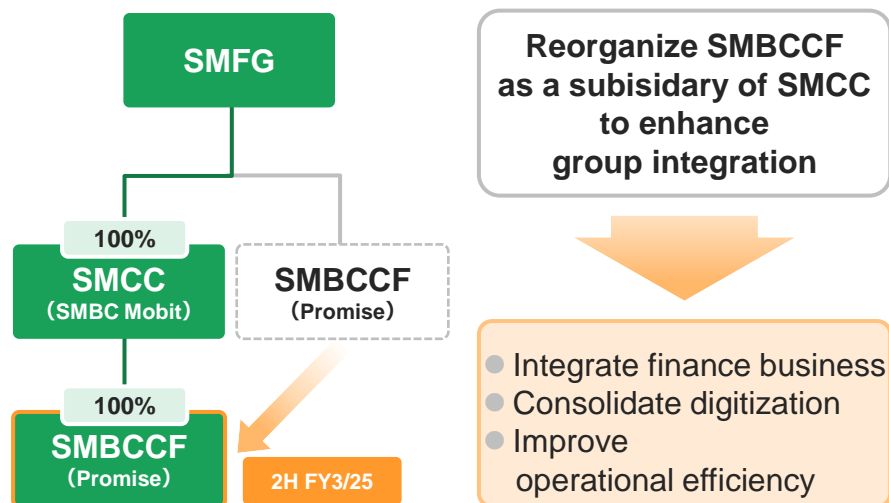


## Consumer finance

### Finance balance



### Reorganization of finance business



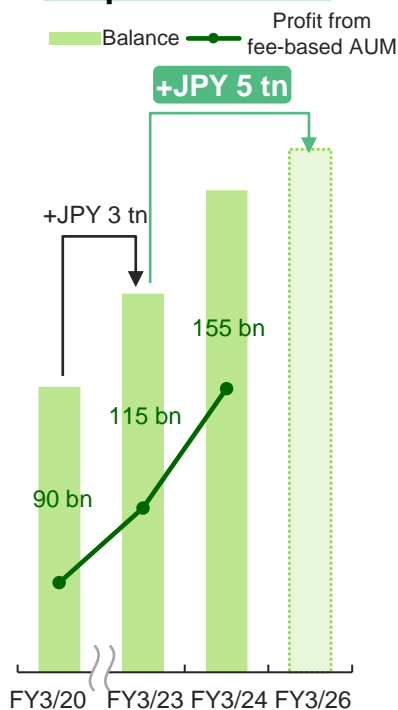
\*1 Sum of credit cards, debit cards, prepaid cards, and UnionPay cards, incl. former SMBC Finance Service.

\*2 Ministry of Economy, Trade and Industry "Current Survey of Selected Service Industries (Credit Card Business)"

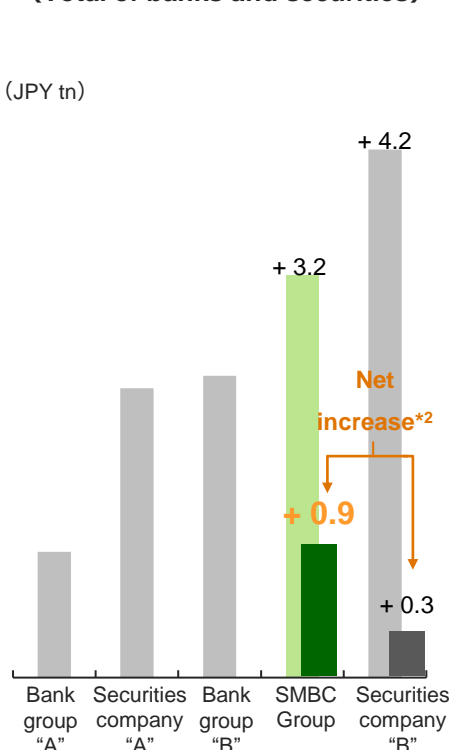
# Hold #1 position in wealth management business

## Pursue fee-based AUM

### AM / foreign currency deposit balance



### Increase of AM\*1 in FY3/24 (Total of banks and securities)



## Expand service line-up

### Nikko PRM Prime



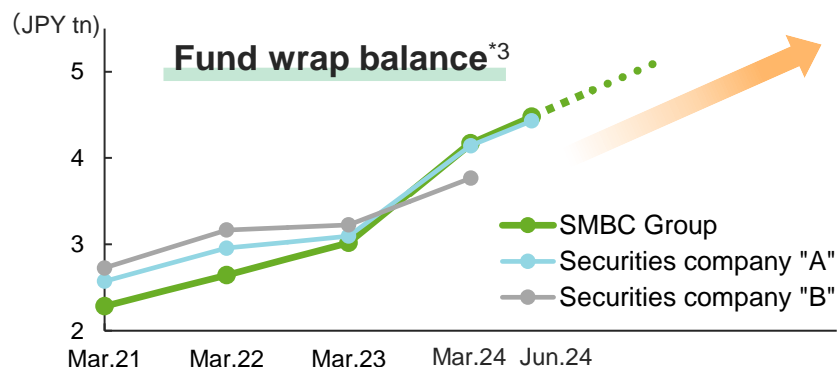
- First to introduce "Aladdin," BlackRock's risk analysis engine for domestic retail customers in 2017
- Upgraded to "Nikko PRM Prime" in Jun. 24

## Strengthen fund wraps

Balance  
**#1**

Customer with gains\*3  
**> 99%**

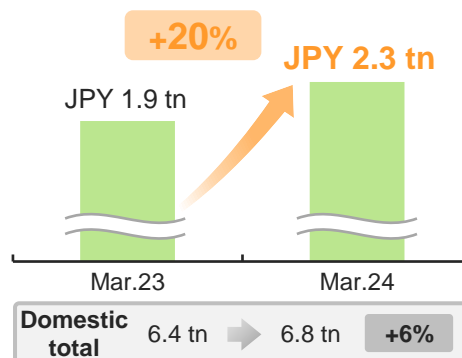
Customer survey\*4  
**Record high**



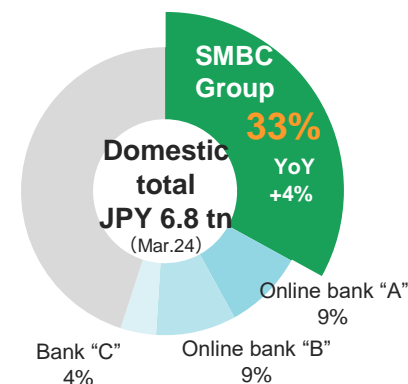
## Diversify currency\*5

### Foreign currency deposit: exceeding market growth

#### Foreign currency deposit balance



#### Market share



\*1 Based on each company's published data and the Japan Investment Advisors Association / "Contract Asset (Wrap Business)"

\*2 Excl. market impact \*3 As of the end of Mar.24 \*4 Net Promoter Score: an indicator showing customer loyalty

\*5 Sum of SMBC and SMBC Trust. Other banks are disclosed figures. Source of total amount: Bank of Japan, "Flow of Funds statistics"



# (Ref.) Nikko PRM Prime

Expand  
target accounts

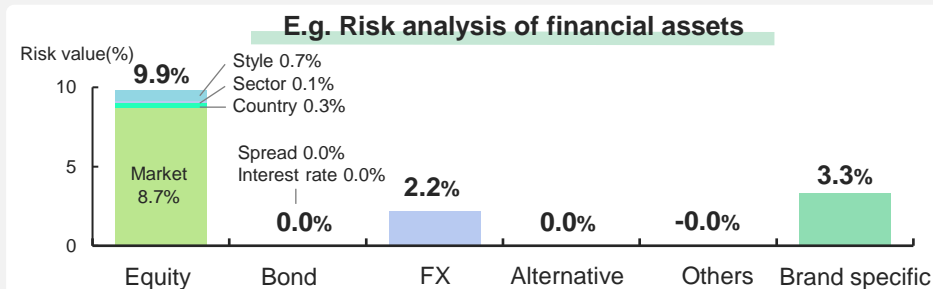
Before  
**20K** accounts

After providing  
PRM report  
**>600K** accounts

Visualize the risk amount under different scenarios to optimize risk and return

## Sophisticated risk analytics

- Analyze potential risks of **different financial assets** using **> 3,000 risk factors**
- Scope of analysis is > 27K brands, covering **97.2%\*1** of **publicly offered investment trusts**



## Extensive scenario analysis



### Invest with confidence

Perceive the decline within expectations as the portfolio risk was checked in advance

### Example of scenarios

Rise / decline of stock index

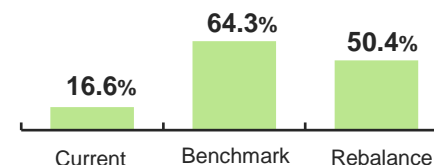
Change of FX

Rise / decline of JGB yield

Decline / recover from crisis

### Recovery from financial crisis

(Change ratio of assets, Mar.10, 2009~Apr. 26, 2010)

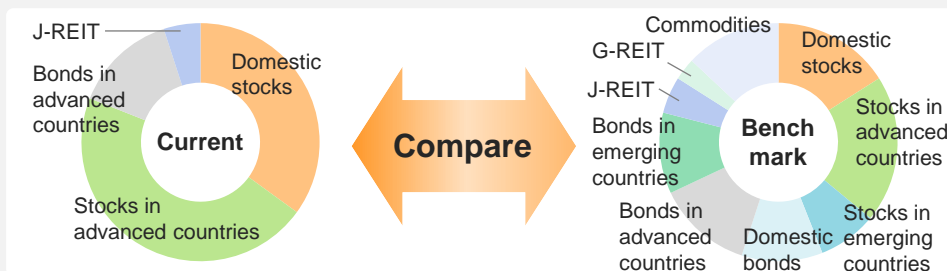


## Optimization of risk and return



### Build a portfolio objectively

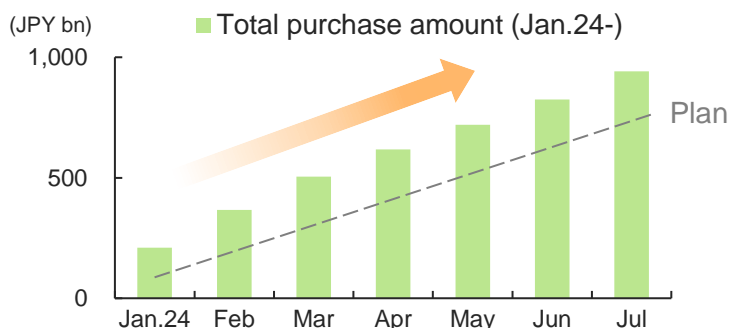
Evaluate the risk and return of the current portfolio compared to the benchmark



# Strengthen efforts to create social value

## From savings to investment

### Increase in NISA transaction volume > market growth



**Growth rate of NISA accounts +11%\*<sup>1</sup>**  
(domestic market +9%)

## Preparation for 100-year life era

**SMBC  
エルダープログラム**  
Elder Program  
Dedicated concierge services



### SMBC Digital Safety Box

Digital ending note to pass information relating inheritance



**Total of AUM\*<sup>2</sup>  
under custody**

**> JPY 1.4 tn**  
(x1.4 times in 2 years)

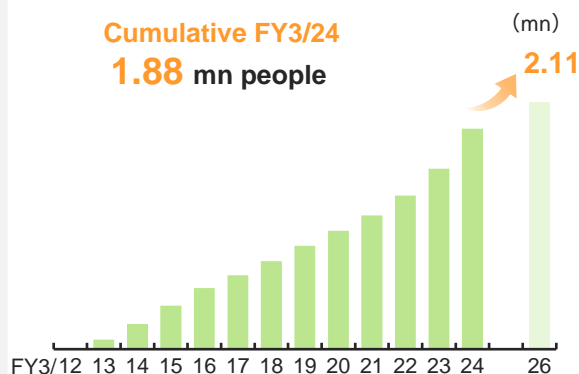
**# of wills\*<sup>2</sup>**  
**Approx. 6K**

**# of customers\*<sup>2</sup>**  
**>60K**

## Improve financial literacy

### # of participants in financial literacy program

**Cumulative FY3/24**  
**1.88 mn people**



(Ref.) # of participants in financial literacy programs provided by Company "A" is total of 400K people CY08 to Apr.24

## Improve services for all generations

### Release of simple mode

Age-friendly UI/ UX design



Basic functions on the top

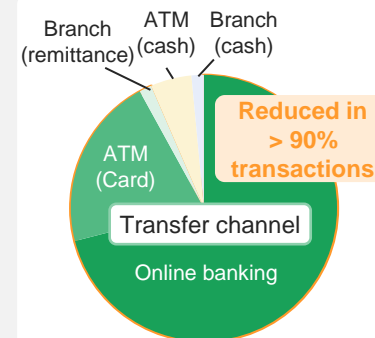
Filter display functions

### Security service by biometric authentication

Require for all login channel (1st in Japan)



### Lower transfer fee



### Measures against fraudulent account use

Provide a sound financial system by strengthening measures against fraud incl. money laundering

\*1 Growth rate in Dec.23- Mar.24, Source: FSA "Survey of NISA accounts"

\*2 Results as of Jul.24

# Build a stable revenue structure

## Build a stable revenue structure

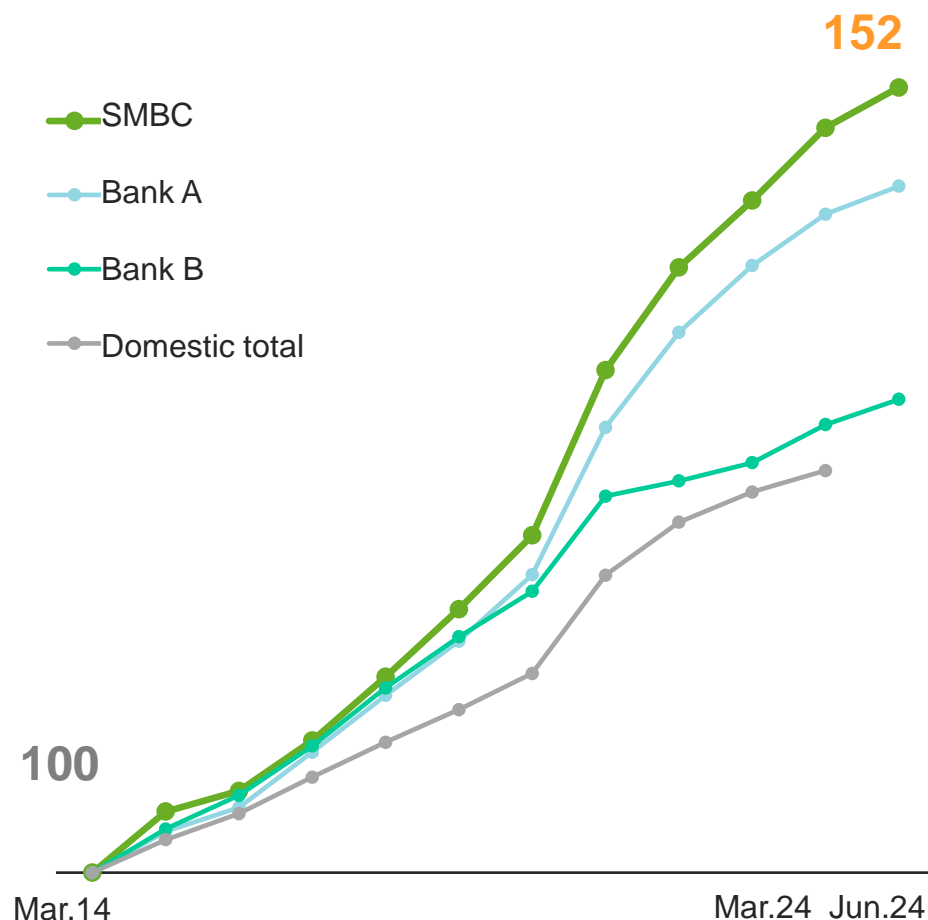
Paradigm shift in  
profit from deposit

Strengthen  
fee-based AUM  
contribute directly

(JPY bn)		YoY	FY3/24	FY3/26
Gross profit	1	+ 120.0	1,290.0	1,480
Wealth management	2	+ 50.7	296.6	-
Payment and consumer finance	3	+ 72.7	840.1	-
o/w fee- based AUM*1	4	<b>+ 45.8</b>	754.6	870
Expenses	5	+83.2	1,079.9	1,165
o/w base expenses	6	<b>+1.4</b>	751.3	730
Coverage ratio of profit from fee-based AUM / base expenses (Row 4 and 6)	7	<b>+ 6%</b>	<b>100%</b>	<b>119%</b>

## Accelerate deposit growth

Deposit growth rate\*2

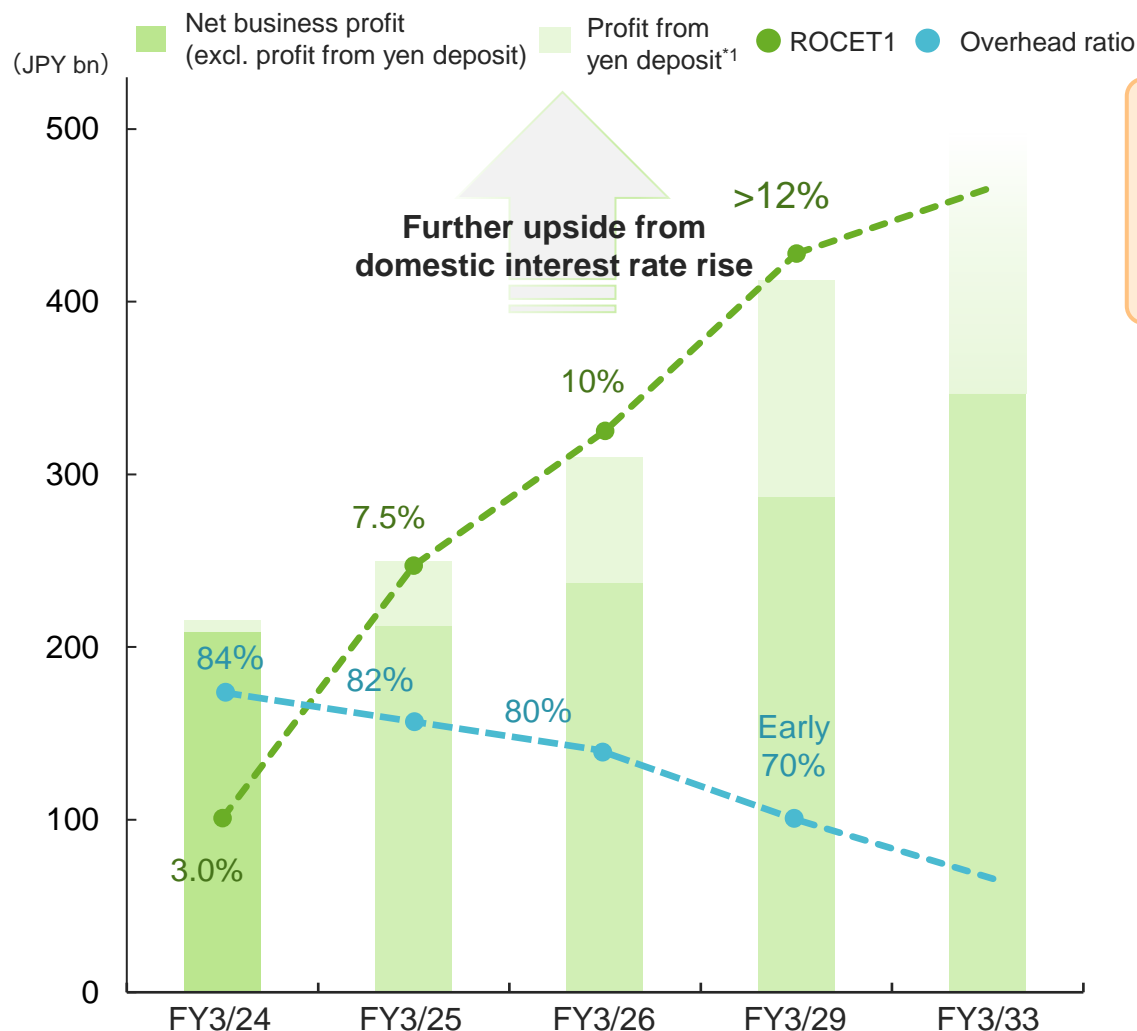


\*1 Profit from fee-based AUM, interest rate margins on loans, deposits, and FX revenue, card annual membership fees, etc.

\*2 The result of Mar.14 = 100

# Profit in long-term view

## Net business profit and ROCET1 in future



Assumption of policy rate: 0.25%  
Expect increase of deposit as level of FY3/24

**Steadily expand revenue while investing in service enhancements for the future**

- 1 Increase deposit volume to maximize the benefits of rising interest rates
- 2 Further enhance service levels and strengthen defense
- 3 Advance the hybrid system, which offers advantage in time and strategy

\*1 Profit in managerial accounting basis corresponding to deposit funding

# Global

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**Yoshihiro Hyakutome,  
Senior Managing Executive Officer**

**Keiichiro Nakamura,  
Senior Managing Executive Officer**





# Medium-Term Management Plan

## Strategy

### Vision

**A solution provider with Japan/Asia Edge**

### Key Strategies

**Focus on growing area / Drive growth with quality**

#### Transformation

- Strengthen global CIB and S&T  
: accelerate collaboration with Jefferies

#### Growth

- Realize growth through Multi-Franchise Strategy
- Create new businesses contribute to medium- to long term growth

#### Quality builds Trust

- Enhance management base  
: build foundation linked to business diversification and complexity



**Pursue social value**

## Financial target\*1

### ROCE<sup>T1</sup>

FY3/26 target

**8%**

FY3/24

**8.5%\*2**

### Net business profit

FY3/26 target

**JPY 585 bn**

FY3/24

**JPY 658 bn**

### RWA

In 3 years

**+JPY 3.9 tn**

FY3/24

**+JPY 0.1 tn**

## KPI

		FY3/23	FY3/24	FY3/26 target (in 3 years)
Net business profits from overseas securities		JPY 22 bn	JPY 36.2 bn	JPY 49 bn (+JPY 27bn)
Net business profit of the Americas Division		USD 1,344 mn	USD 1,583 mn	USD 1,844 mn (+USD 500mn)
Share of U.S security IG corporate bonds*3 issued		2.3%	3.6%	3.5% (+1.2%)
ROE of investees in Asia		(0.4)%	0.7%	9.5% (+9.9%)
Net income of investees in Asia		JPY (1) bn	JPY 4 bn	JPY 50 bn (+JPY 51 bn)
Social Value	Sustainable finance	+JPY 4.8 tn	+JPY 4.6 tn	(+JPY 10.5 tn)
	Micro finance	—	+153K people	(+800K people)

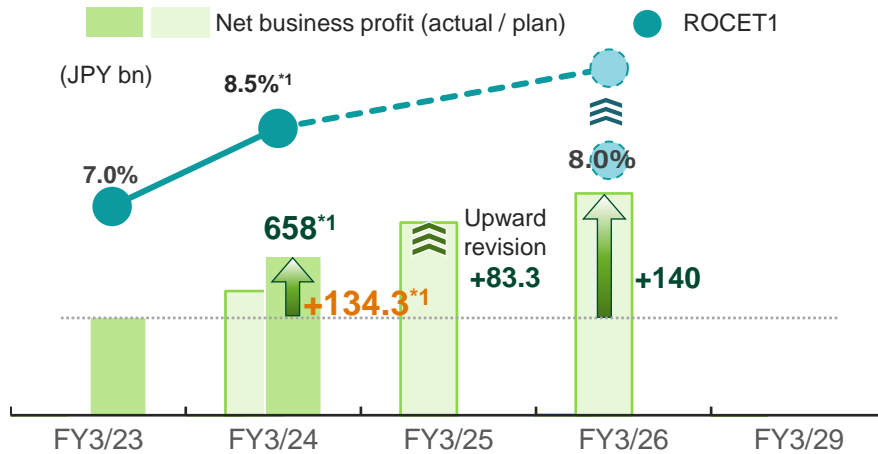
\*1 TTM as of Mar.23 USD1=JPY 133.54, Mar.24 USD1=JPY 151.33, assumption of FY3/25 USD1=JPY 120

\*2 After adjustment of one-off items (sales of U.S. freight car leasing business, receipt of insurance claims on aircraft leasing, impairment of investees, etc.) Before adjustment: ROCE<sup>T1</sup> 6.3%, net business profit JPY 644.9 bn \*3 Investment Grade

# Medium-Term Management Plan

## Financial result

- Higher than initial target by implementing measures



## Reallocate business portfolio to improve capital efficiency

### FY3/24 result

	Exit from non-core	Reallocate assets
	<ul style="list-style-type: none"> <li>Sale of U.S. freight car leasing business</li> </ul>	<ul style="list-style-type: none"> <li>Improve return on loans</li> <li>Allocate to high-profit business</li> </ul>
<b>RWA</b>	JPY (0.4) tn	Reduction JPY (1.5) tn
<b>ROCET1 impact</b>	+4bp	Investment JPY +1.8 tn +17bp

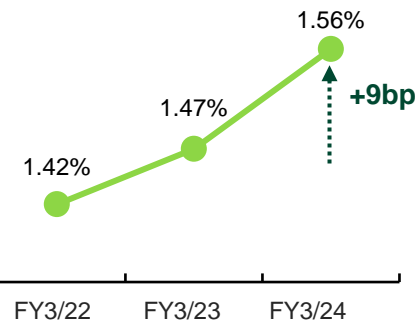
### FY3/25-

- Review profitability criteria and accelerate reallocation
- Accelerate allocation to high-growing areas (Multi-Franchise)

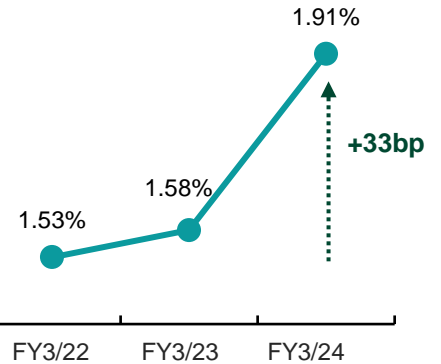
## Deposit/ loan management

- Improve loan to deposit spread by changing mix of deposit and reducing funding cost
- ROFA also improved by acquiring other fee businesses

### Loan to deposit spread

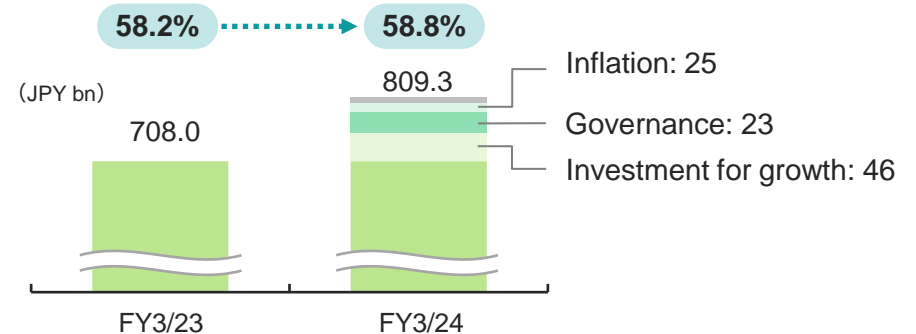


### Return on Funded Assets<sup>\*2</sup>



## Cost control<sup>\*3</sup>

- Overhead ratio remains flat despite of allocating resources to investment for growth and governance
- Reduce cost by consolidating administration



<sup>\*1</sup> After adjustment of one-off items (sales of U.S. freight car leasing business, receipt of insurance claims on aircraft leasing, impairment of investees) Before adjustment: ROCET1 6.3%, net business profit JPY 644.9 bn

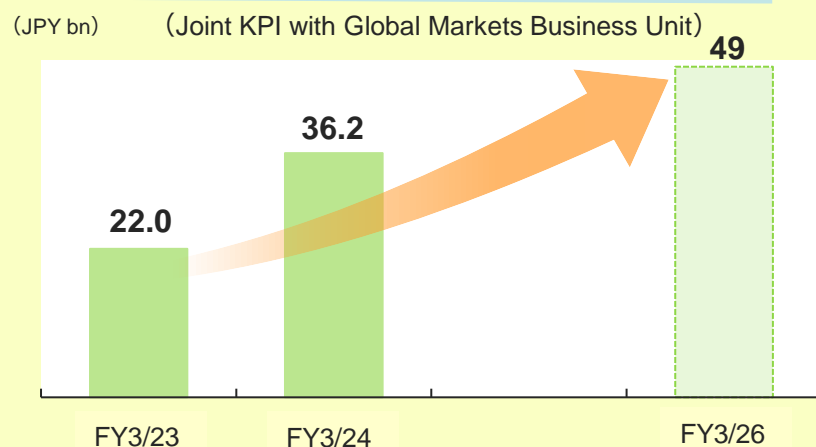
<sup>\*2</sup> Gross profit / (asset + commitment line) <sup>\*3</sup> FX rate at Mar.24 for both FY3/23 and FY3/24

# Transformation: Strengthen CIB business

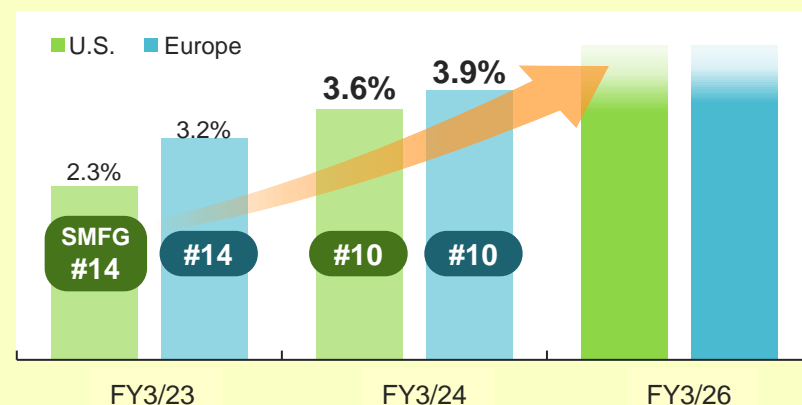
- Expand profitable fee business through integrating primary and secondary businesses and collaborating with Jefferies

## Expand CIB business

### Net business profit from overseas securities

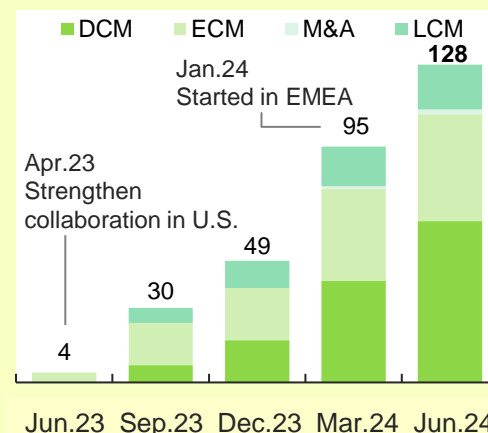


### League table for non-Japanese IG<sup>\*1</sup> DCM (Issuance share)

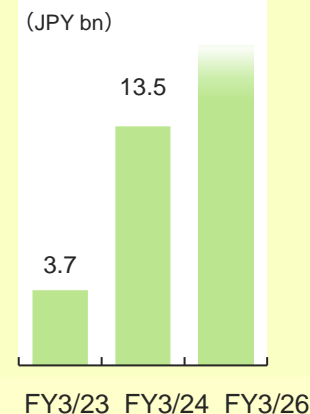


## Collaboration with Jefferies

### # of collaborated deals



### Profit from collaboration (cumulative)



(Ref) Jan. – Jun.24

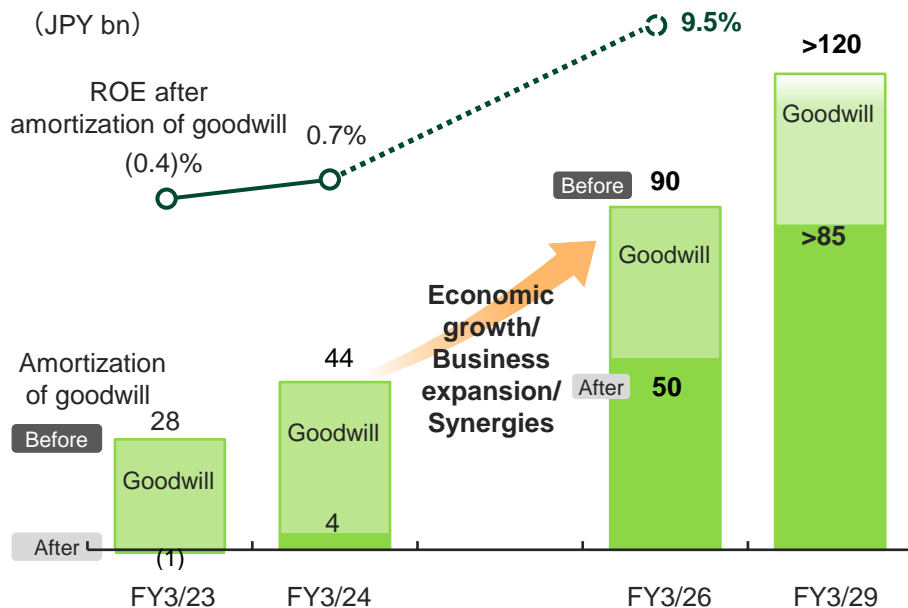
### League table for ECM/ M&A in U.S./ Europe (Profit share)<sup>\*2</sup>

1	JP Morgan	11.1%
2	Goldman Sachs	10.0%
3	Morgan Stanley	6.7%
4	Bank of America	5.5%
5	<b>Jefferies</b>	<b>4.1%</b>
6	Citi	3.9%

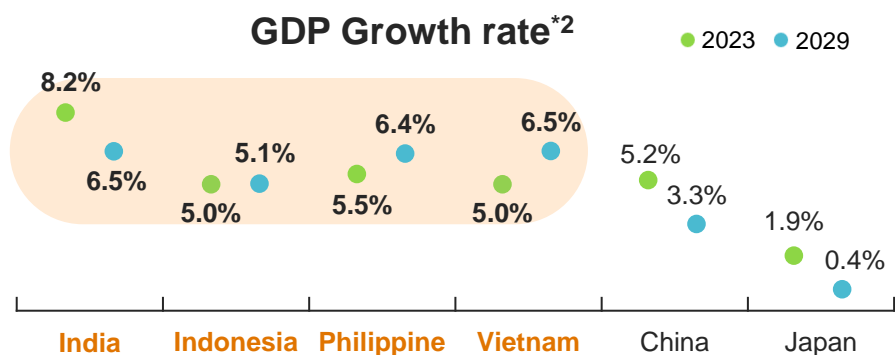
# Growth: Multi-Franchise Strategy in Asia

- Aim to realize growth greater than economic growth in Asia

## Profit target<sup>\*1</sup>

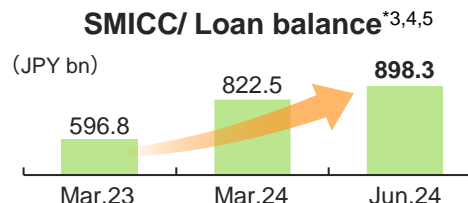


## Business environment



## India

- Accelerate growth by making SMICC a 100% subsidiary



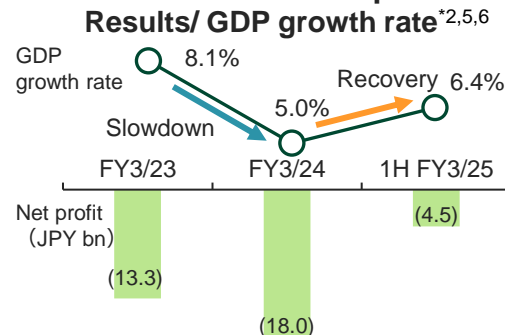
Expand offshore loans  
Establish branch in GIFT city

Strengthen capital and  
funding of SMICC

## Vietnam

### FE Credit

- Promote turnaround and contribute profit in FY3/25

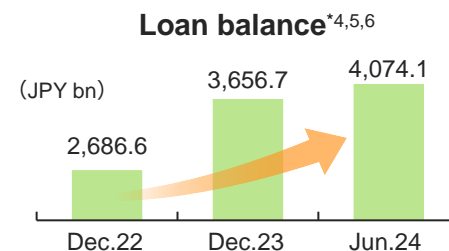


Upgrade management  
New management team  
Collaborate with VPBank

Improve loan portfolio  
Control credit cost  
Acquire new good customers

### VPBank

- Continuous asset and profit growth



Asset growth capturing  
market recovery

Reduce funding cost

Focus on collection  
Reduce credit cost

<sup>\*1</sup> Calculated using FX rate at the end of FY3/23 and FY3/24, assumption for FY3/26 and FY3/29 <sup>\*2</sup> IMF WEO

<sup>\*3</sup> TTM as of Mar.23 INR1=JPY1.63, Mar.24 INR1=JPY1.81, Jun.24 INR1=JPY1.93 <sup>\*4</sup> Balance at the end of period

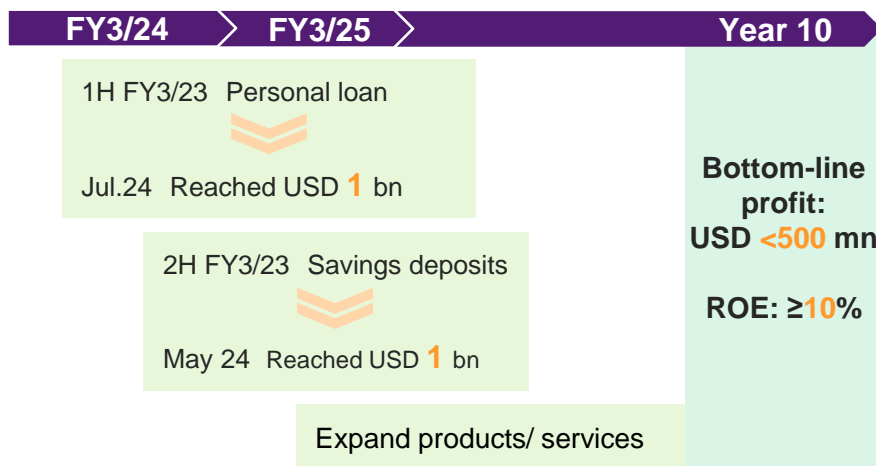
<sup>\*5</sup> Jun.24 (unaudited) <sup>\*6</sup> TTM as of Dec.22 VND1=JPY0.0056, Dec.23 VND1=JPY0.0061, Jun.24 VND1=JPY0.0063

# Growth: Create growing business and social value

## U.S. digital bank: Jenius Bank

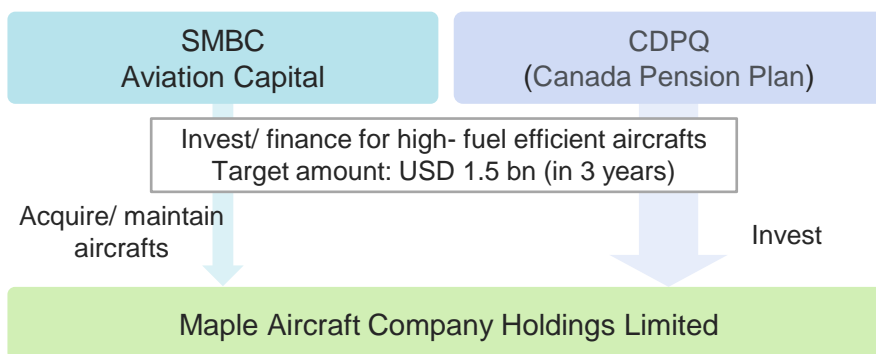
jeniusbank

- Increase personal loans and deposits since 2023



## Aircraft leasing: SMBC Aviation Capital

- Aim to further improve ROE with demand recovery
- Enhance asset-turnover businesses (New JV in Jan. 2024)



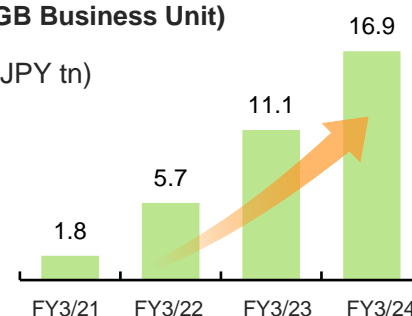
## Create social value

### Environment

- Actively promote sustainable finance
- Strengthen transition support for new energy / technology

**Sustainable finance (cumulative)**  
(GB Business Unit)

(JPY tn)



### EMEA

Hydrogen- based steelmaking

Reduce CO<sub>2</sub> emission up to **95%**

### Australia

To renewable energy / electricity storage from coal-fired power plant

Early retirement in **10 years**  
Reduction of CO<sub>2</sub>: **16 Mt**

### Poverty & Inequality

- Provide micro finance, financial seminars, etc.

### India

Micro finance  
(Support female micro business owners in rural areas)

Economic growth  
Improve quality of life  
Empowerment of women

### DE&I

- Set a new KPI and promote empowerment of women
- Implement initiatives to promote diverse HR

### NEW KPI

Ratio of female managers\*1

**FY3/26**  
**30%**

**FY3/31**  
**35%**

\*1 KPI on a group and global basis. Sum of female employees in position of director or higher in overseas based on Act on the Promotion of Women's Active Engagement in Professional Life



# Global Markets

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**Masamichi Koike,**  
**Deputy President and Executive Officer**



# Medium-Term Management Plan

## Strategy

### Vision

Enhance risk-taking skills for our investment portfolio while continuously supplying clients with high level of value as a market risk professionals

### Key initiatives

#### Portfolio management

- Analyze how the markets will evolve based on the Three “I”s\*1
- Maximize profits by dynamic rebalance

#### Sales & Trading

- Respond to complicated clients’ needs
- (1) Improve capabilities of solution providing through data-utilization and DX
  - (2) Strengthen cross-selling
  - (3) Enhance global expansion and collaboration

#### Foreign currency funding

- Detect changes in the funding environment
- Manage focusing on stable balance sheet

## Financial Target

### ROCET1

FY3/26  
**15%**

FY3/24  
**17.8%**

### Net business profit

FY3/26  
**JPY 340 bn**

FY3/24  
**JPY 389.9 bn**

### RWA

in 3 years  
**+JPY 1.4 tn**

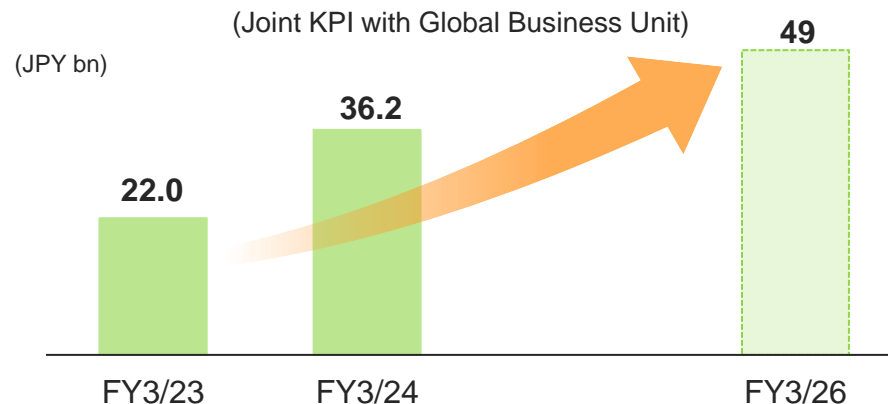
FY3/24  
**+JPY 1.9 tn**

Increase net business profit aiming to exceed ROCET1 target continuously

## KPI

### Net business profit from overseas securities

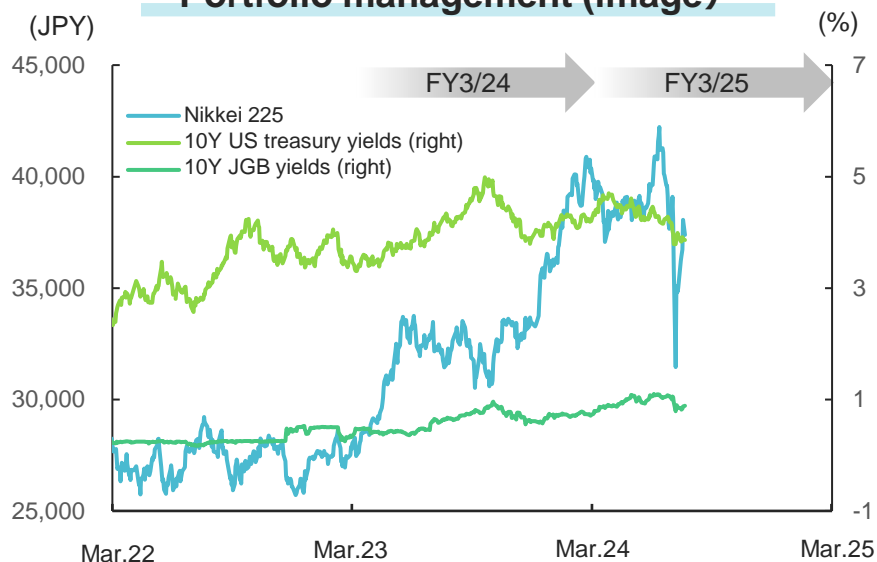
(Joint KPI with Global Business Unit)



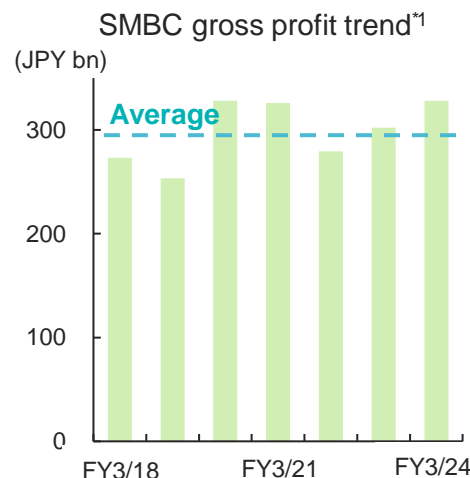
# Portfolio management

Contribute to revenue and support the enhancement of asset managing capability by “trading strengths”

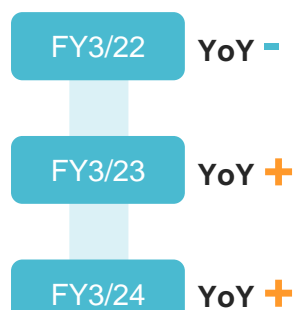
## Portfolio management (image)



## “Trading strengths”



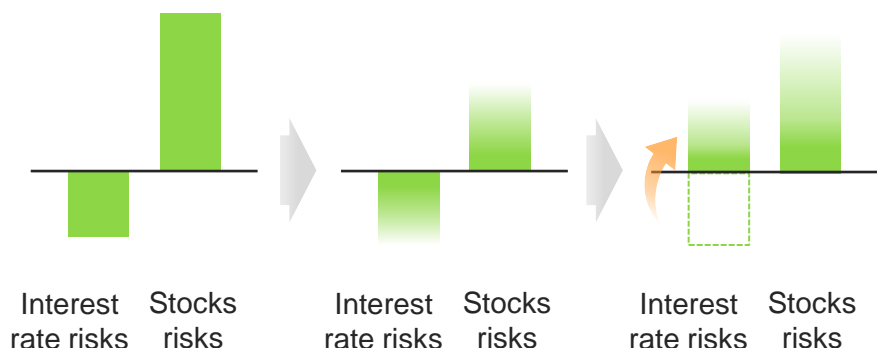
Unrealized gains/ losses of bonds<sup>2</sup>



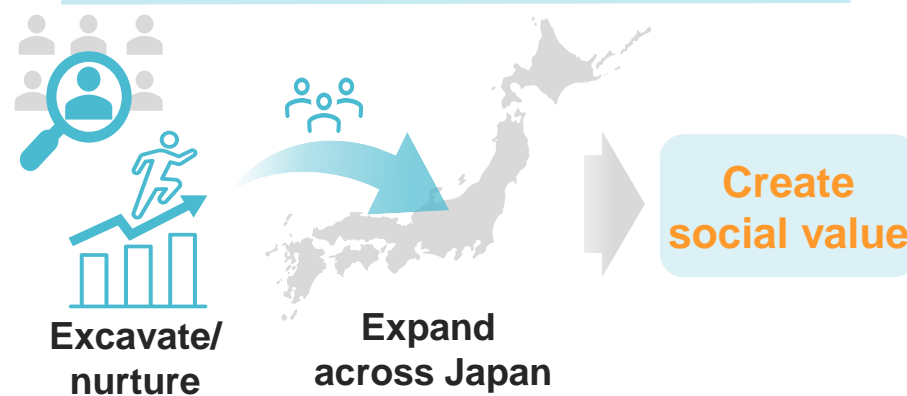
FY3/24

Current

Future



## Supply asset management human resources



# Sales & Trading

Accelerate initiatives and promote secondary business through global collaboration

## Global collaboration

Accelerate

EMEA

FX

Fixed  
Income

Equity

- Enhance data-driven solutions
- Accelerate approach to a wide range of clients' segment
- Establish region-wide cross selling framework
- Promote primarily yen and dollar products
- Strengthen client base leveraging Japanese stocks
- Expand the service lineup

Enhance

Americas

Edge

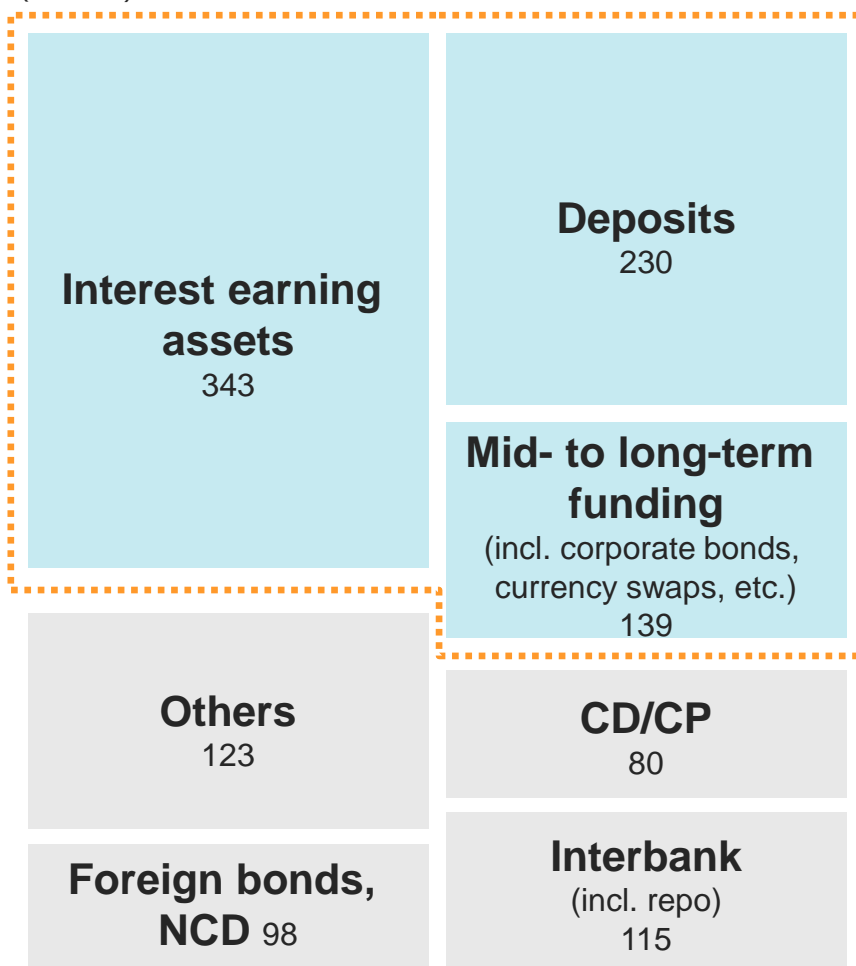
Japan  
Asia

# Foreign currency funding

## Focus on stable foreign currency B/S

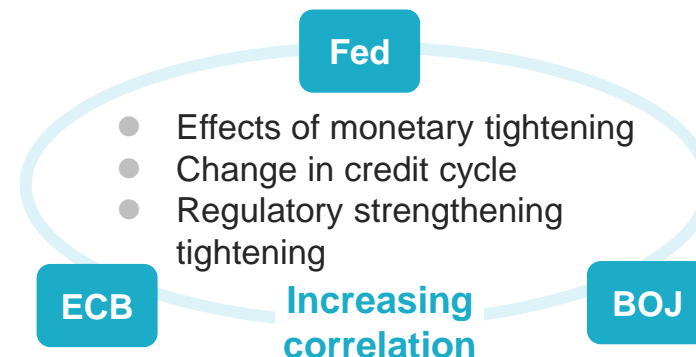
### Foreign currency B/S as of Jun.24

(USD bn)



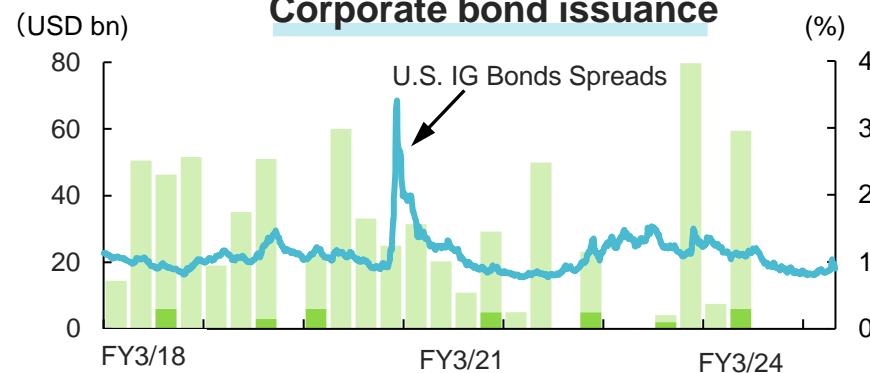
## Proactive response to market changes

### Global ALM management



- Medium- to long-term funding strategy tailored to the environment
- Increased efficiency of funding and collateral management

### Corporate bond issuance



Green bonds

Create social value

# Create social value

Solve social issues by utilizing market knowledge

## Environment

- Sustainable finance, etc.



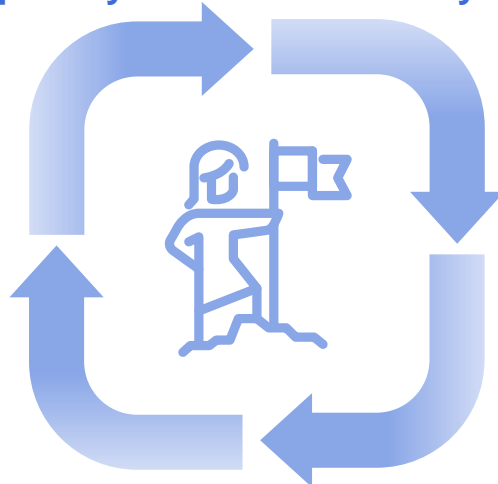
Support through  
green funding

(Example)

Operate S&T/ ALM to support realizing net zero society

## DE&I

Address  
priority issues      Return  
to society



Enhance  
engagement      Pride in  
work

(Example)

Improve engagement by sharing common values

## Japan's regrowth

Poverty & Inequality /  
Declining Birthrate & Aging Population



Supply  
expert  
personnel

Enhance  
financial  
industry

Support  
advancement  
of industry



Contribution  
courses, etc.

Improve  
financial  
literacy

Support  
asset  
formation



Provide  
solutions

Support  
management  
strategy

(Example)

Contribute to strengthening financial capabilities of Japan and growth of corporations



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

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

## Exchange rates (TTM)

	Mar. 23	Mar. 24
USD	133.54	151.33
EUR	145.75	163.24

## Definitions

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