SMBC SUMITOMO MITSUI FINANCIAL GROUP

# SMBC Group
# IR Day

August 26, 2025

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# Agenda

| | | |
|---|---|---|
| Opening | Group CEO | Toru Nakashima |
| P3 Wholesale | Senior Managing Executive Officer<br>Senior Managing Executive Officer | Fumihiko Ito<br>Yukihiro Mabuchi |
| P10 Retail | Senior Managing Executive Officer | Akio Uemura |
| P20 Global | Deputy President and Executive Officer<br>Senior Managing Executive Officer | Yoshihiro Hyakutome<br>Keiichiro Nakamura |
| P27 Global Markets | Senior Managing Executive Officer | Arihiro Nagata |
| CFO Session | Group CFO | Kazuyuki Anchi |

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# Wholesale

**Fumihiko Ito,**
**Senior Managing Executive Officer**

**Yukihiro Mabuchi,**
**Senior Managing Executive Officer**

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# Medium-Term Management Plan

## Financial targets

| ROCET1 | Net business profit | RWA |
|---|---|---|
| FY3/26 | FY3/26 | In 3 years |
| **10%** | **JPY 570 bn** | **+ JPY 1.5 tn** |
| FY3/25 | FY3/25 | by FY3/25 |
| **21.2%** | **JPY 729.2 bn** | **+JPY 1.1 tn** |

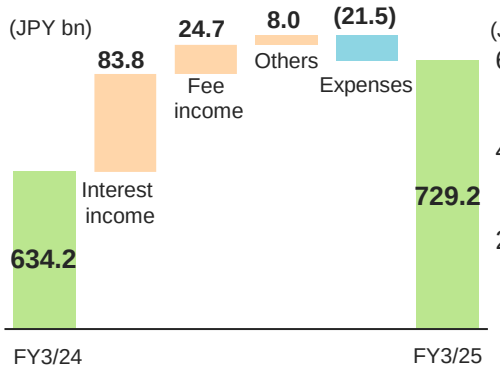
## KPI

| | | FY3/23 | FY3/25 | FY3/26 target |
|---|---|---|---|---|
| Payment transactions<br>(1) # of Corporate transfers<br>(2) # of Foreign remittance<br>(3) Corporate business handled (JPY) | | (1) 346 mn<br>(2) 1.6 mn<br>(3) 1.7 tn | (1) 366 mn<br>(2) 1.9 mn<br>(3) 2.2 tn | (1) 368 mn<br>(2) 1.7 mn<br>(3) 2.6 tn |
| # of trust brokerage transactions (>JPY 3 bn) | | 27 | 26 | 65 |
| League table of SMBC Nikko M&A deals (≥JPY 10 bn) | | #3 | #5 | #2 |
| Social Value*1 | Sustainable finance | JPY 1.5 tn | JPY 7.0 tn | JPY 4.7 tn |
| | Investment and loans for startups | JPY 32.5 bn | JPY 185.1 bn | JPY 135 bn |
| | Business investment /revitalization finance | JPY 105.5 bn | JPY 212.7 bn | JPY 545 bn |

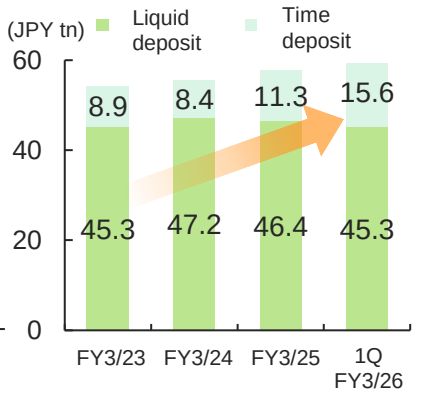
## Results of FY3/25

- Captured various opportunities such as corporate actions by supporting domestic clients' needs with agility
- Increased profit by strengthening loans and deposits under rising interest rate environment

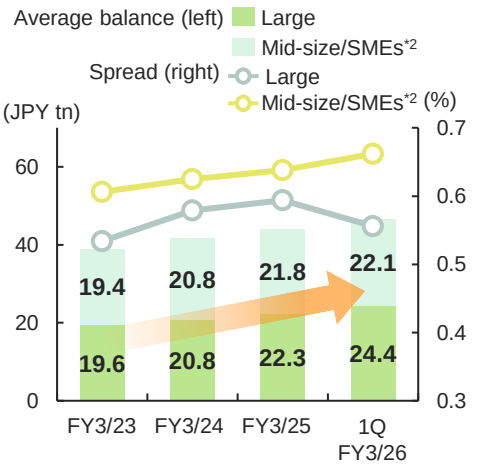
### Net business profit




### Yen deposits




### Loans




### Increase in loan balance*3

| (JPY tn) | Large | Mid-size /SMEs |
|---|---|---|
| SMBC | +7.7 | +4.5 |
| Peer A | +3.8 | +3.9 |
| Peer B | +3.1 | +1.8 |

*1 FY3/25 and FY3/26 target are cumulative for Medium-Term Management Plan
*2 Excl. area-coverage clients *3 During FY3/20 to FY3/25 (based on disclosure materials)

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# Direction in FY3/26

## 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 FY3/26

**Key initiatives toward next mid-term plan**

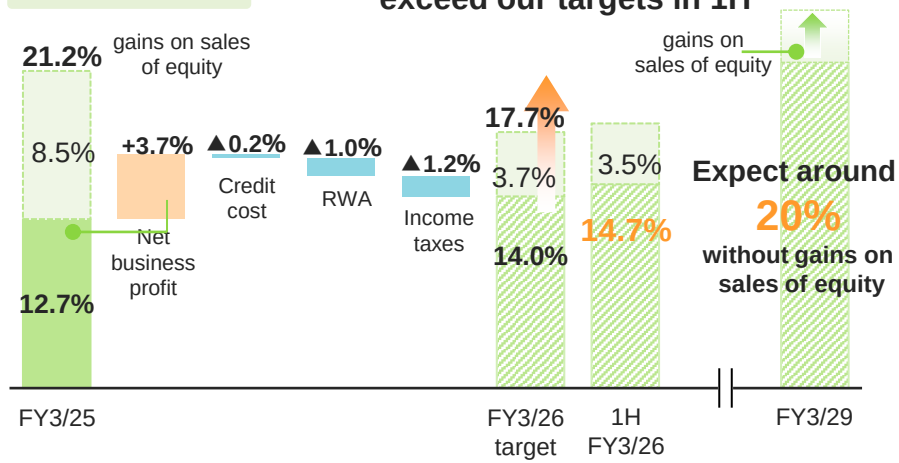
- Establish **a best-in-class one-to-one client coverage model**
- Expand into **new business domains**
- Reallocate resources through **structural reforms**

Create Social Value | Compliance

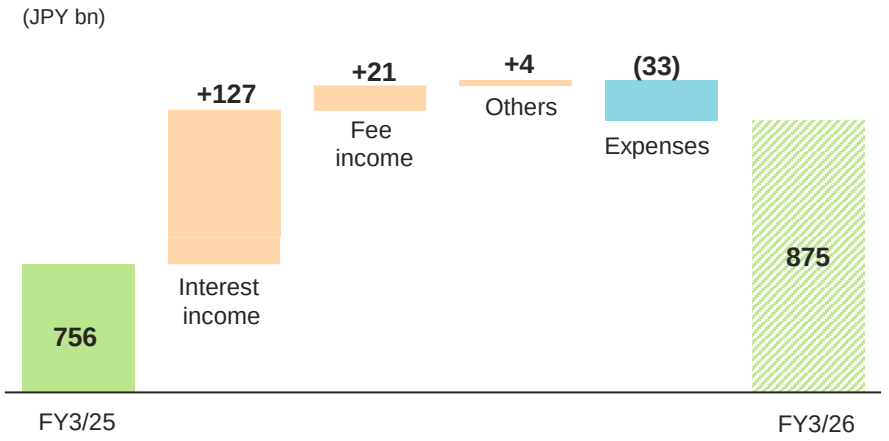
## FY3/26 Target

### ROCET1

**ROCET1 without gains on sales of equity exceed our targets in 1H**




### Net business profit*1




*1 FY3/25 is after adjustments for exchange rates

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# A best-in-class one-to-one client coverage model (1)

## Support for corporate actions

**Capture profitable opportunities by supporting clients' corporate actions at every stage of growth**

### Acquisition
- SMBC, SMBC Nikko: Financing, FX hedge, M&A FA (incl. cross-border M&A)

### Carve-out / Going private
- SMBC: Financing, Using funds
- SMBC Nikko: FA
- SMBCCP: Equity
- SMFL: Financing; Equity, Mezzanine

### Corporate value
- SMBC, SMBC Trust: CRE strategy
- SMBC Nikko: IR strategy support
- SMFL: Leaseback

### PE Exits / Re-Listings
- SMBC: Financing, FA
- SMBC Nikko: Financing, FA, Consulting on listing

### 1 ECM・DCM

**League table (FY3/25)**

| | |
|---|---|
| ECM*1 | #2 |
| DCM*1 Foreign bond underwriting*2 | #3 #1 in Japanese |

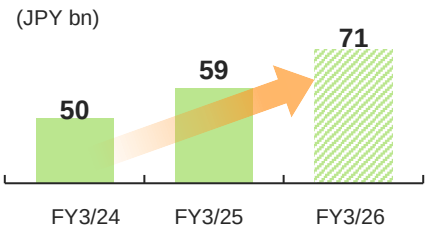
### 2 M&A FA*3

**Compared to FY3/23**

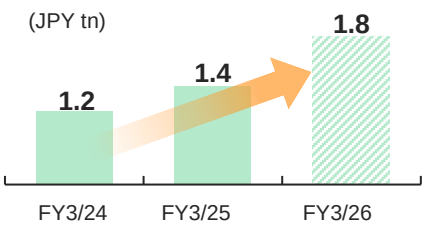
| | |
|---|---|
| # | +65% |
| Fee income | +65% |

### 5 PE fund business

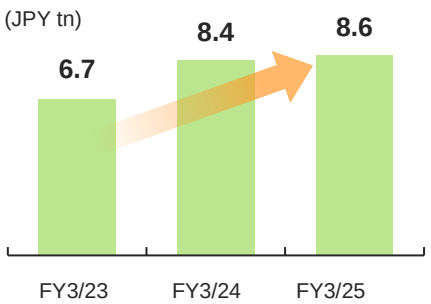
**Net business profit**



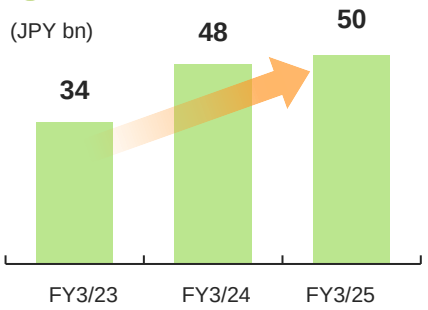

**LBO Finance balance**




### 3 Syndication*4

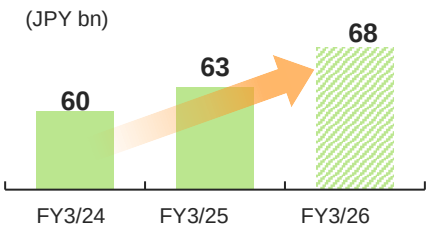



### 4 Equity investment*5

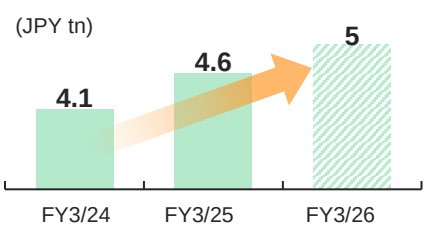



### 6 Group real estate business

**Net business profit**




**Finance balance**




*1 Source: LSEG. Equity: underwriting amount as lead manager *2 Result of 1Q FY3/26 *3 on a group basis
*4 SMBC's syndicated loan origination results *5 Investment balance of SMBC Capital Partners

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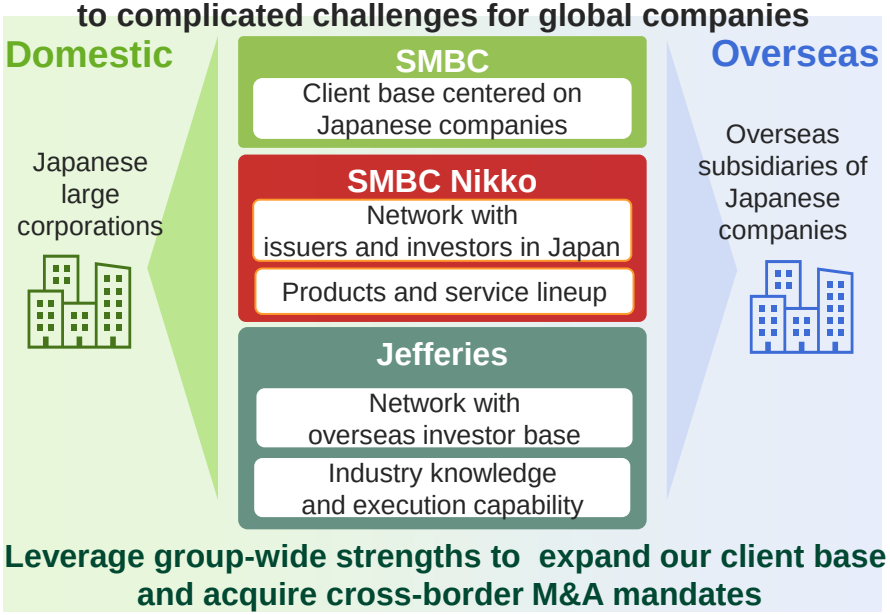
# A best-in-class one-to-one client coverage model (2)

## Strengthen capability for global companies

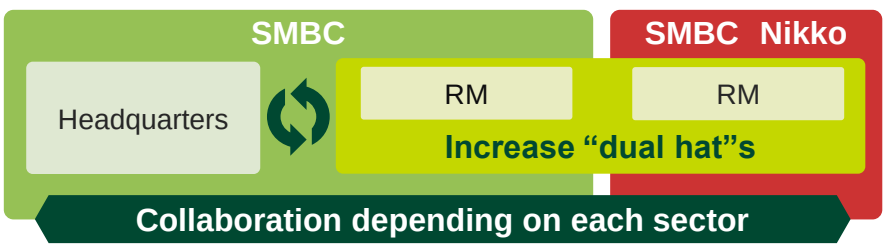
**Deliver comprehensive solutions to complicated challenges for global companies**




**Leverage group-wide strengths to expand our client base and acquire cross-border M&A mandates**

## Enhance our sector-specific solutions

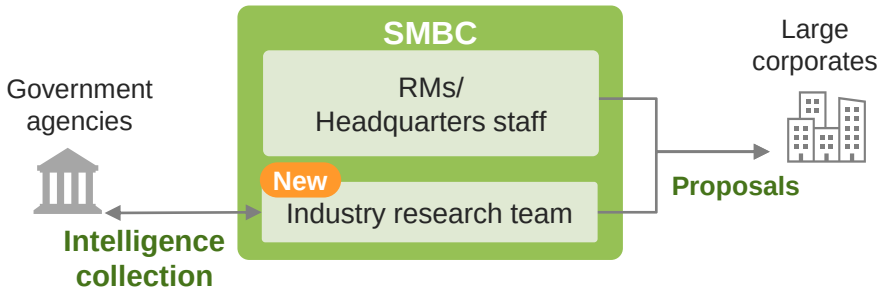
**Integrate banking and securities sector expertise to deliver one-stop solutions to clients**




## Deliver higher-quality proposals to clients

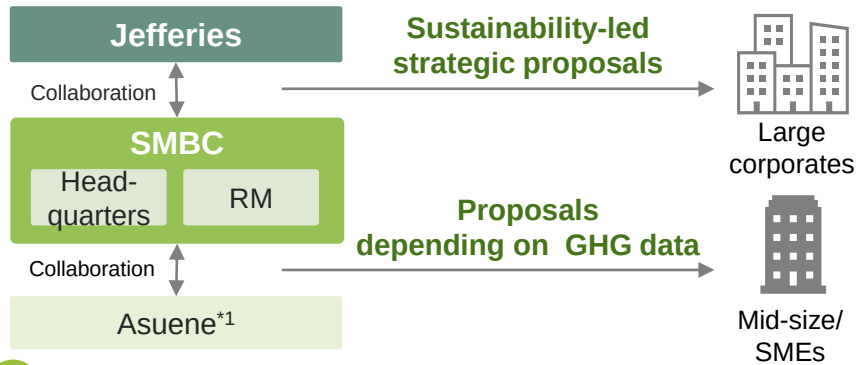
### 1 Industry research

- Gather cross-sector intelligence from government agencies to sophisticate strategic proposals to large corporates




### 2 Sustainability

- Enhance our execution framework to meet segment-specific needs by client size




### 3 M&A

- Reinforce our organization to deliver seamless, end-to-end origination, execution, and financing as deal sizes become larger

*1 Strengthened our strategic alliance in May.25

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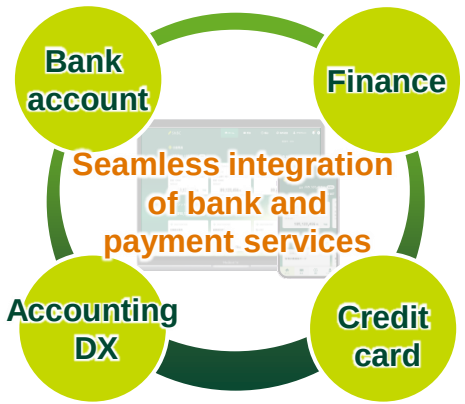
# New business domains

## Comprehensive digital financial services




**Boost productivity across Japanese SMEs**
**(99.7% of all companies)**

**Support Japan's regrowth**

### Expand client base through superior products and digital channels

**Customer-experience-driven product propositions**

- Lowest fees in the industry
- Account opening next day at the earliest
- Member benefits for cardholders

✖

**Marketing and operations for scalable growth**

- Digital marketing
- Fully remote account opening process
- Technology-enabled fraud prevention

## Trunk

### Improve service quality

**FY3/26**

- Upgraded online banking

- Invoice DX
- Subsidy application support

**FY3/27~**

- New credit card
- Invoice issuance
- Factoring

**Add new functions to improve usability**

Scan and pay invoices

Offer a credit card payment option subject to cash flow

### Future

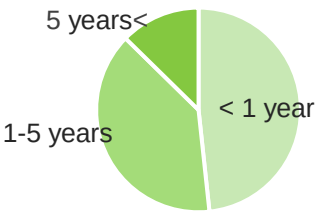
**3 year target by FY3/28**

**300,000** accounts

**JPY 3 tn** deposits

**Exceeded 10,000 accounts within 2 months after launch**

### Company age profile of new account openings




**From early-stage firms to long-established enterprises**

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# Structural reforms／Reduction of equity holdings

## AI-lead business transformation

**Example: Daily workflow for RMs**

| | Morning | Preparation | Meeting | Reports, etc. |
|---|---|---|---|---|
| As-Is | Review client information dispersed across systems | Check internal policies/ Review materials | Record meeting notes | Execute follow-up administrative tasks |

Substantial time spent on reviews, checks, information searches, and other administrative tasks

Rolling releases starting in FY3/27 → During next Medium-Term Management Plan

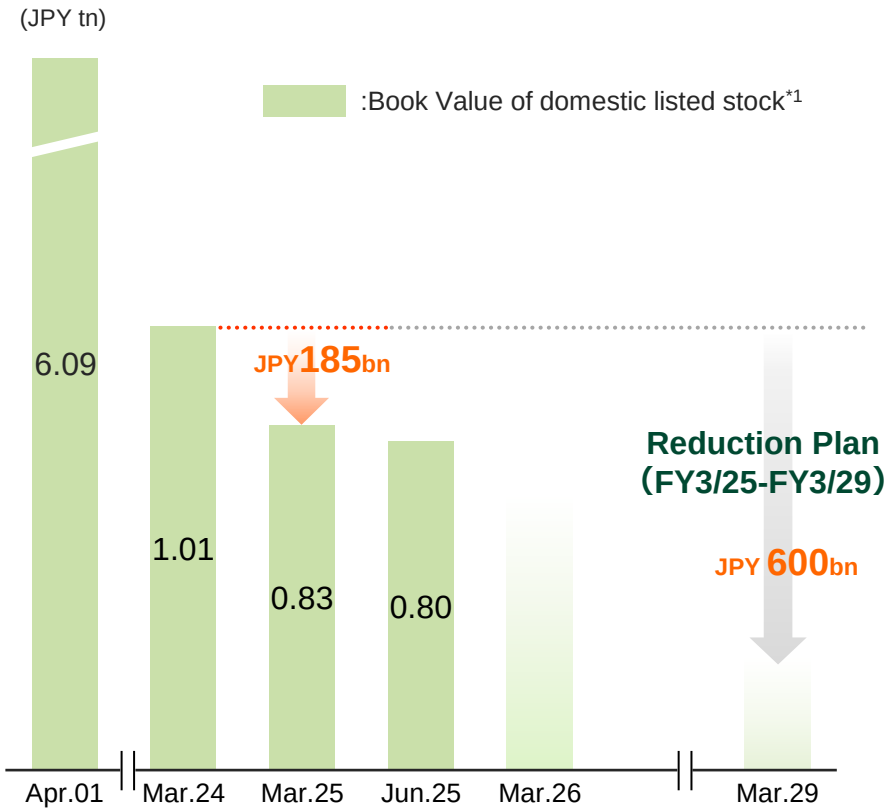
| | Morning | Preparation | Meeting | Reports, etc. |
|---|---|---|---|---|
| To-Be | AI Automatically… Create client overview materials | Generate appropriate proposal materials | Summarize and record meeting notes | Execute follow-up administrative tasks |

Focus on clients' management challenges by utilizing AI for task support and automation

**Unlock 1.4 mn hours annually and reallocate resources to boost sales capacity**

## Reduction of equity holdings

**Achieved a reduction of JPY 185 bn in FY3/25.**
**Continue negotiations with clients aiming for reduction exceeding the annualized pace of JPY 120 bn in FY3/26.**




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

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# Retail

**Akio Uemura,**
**Senior Managing Executive Officer**

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# Medium-Term Management Plan

## Strategy

### Vision

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

### Key strategies

1. **Strengthen retail business strategy centered on Olive**
2. **Enhance group-based consumer finance**
3. **Expand deposit taking and channel strategy based on Olive**
4. **Enhance group-based wealth management business**

## Financial target

| ROCET1 | Net business profit | RWA |
|---|---|---|
| FY3/26 | FY3/26 | In 3 years |
| **8%** | **JPY 245 bn** | **+JPY 0.2 tn** |
| FY3/25 | FY3/25 | by FY3/25 |
| **8.6%*1** | **JPY 273.8 bn** | **+JPY 1.5 tn** |

## KPI

| | | FY3/23 | FY3/25 | FY3/26 target |
|---|---|---|---|---|
| AM*2/ foreign currency balances | | JPY 13.5 tn | JPY 18.8 tn | JPY 18 tn |
| Credit card sales handled | | JPY 30.2 tn | JPY 39.0 tn | JPY 48 tn |
| Finance balance | | JPY 2.5 tn | JPY 2.8 tn | JPY 3 tn |
| # of Olive accounts opened | | — | 3.04 mn | 5years after the release in Mar.23 12 mn |
| Effect of channel reform*3 | | — | JPY (14) bn | JPY (28) bn |
| Social value*3 | # of financial literacy programs participants | — | +576 K | +570 K |

*1 Excl. the radical allowance on interest repayment
*2 Investment trusts, fund wrap, discretionary portfolio management, and joint managed money in trust
*3 FY3/25 and FY3/26 target are cumulative for Medium-Term Management Plan

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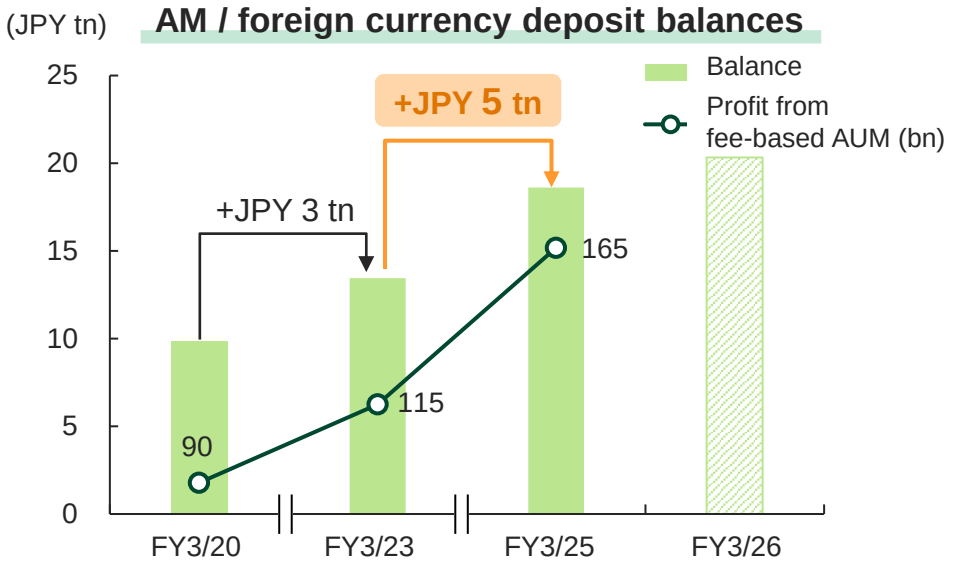
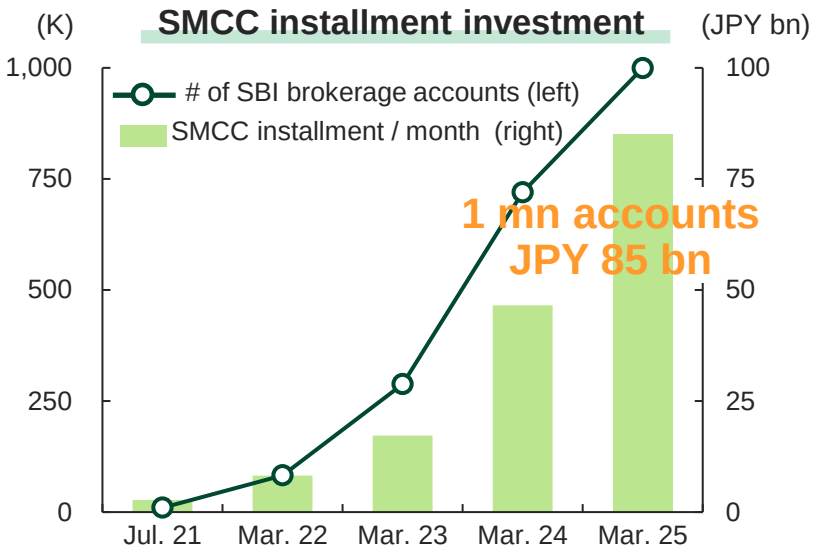
# Progress of the Plan (1)

## Wealth management business




| Comparison*1 (FY3/25) | SMBC Group | FY3/26 plan | Bank A Group | Bank B Group |
|---|---|---|---|---|
| AM balances (Funds, FW, etc.) | JPY 16.5 tn | JPY 17.6 tn | JPY 6.4 tn*2 | JPY 9.4 tn |
| Credit card sales handled | JPY 39 tn | JPY 43 tn | JPY 18 tn | — |
| Finance balances | JPY 2.0 tn | JPY 2.2 tn | JPY 1.5 tn | JPY 0.3 tn |

### Awards

J.D. Powers 2025
Personal Asset Management
Customer Satisfaction Survey*3
National banking sector

HDI-Japan
Web Support/Contact Points
3 Stars in 9 consecutive years

*1 Based on disclosure materials *2 Balance of fund wraps refers Japan Investment Advisers Association “Status of Assets Under Contract (Wrap Accounts)” *3 Based on survey response from 2,477 people who manage assets at nationwide banks (japan.jdpower.com/awards)

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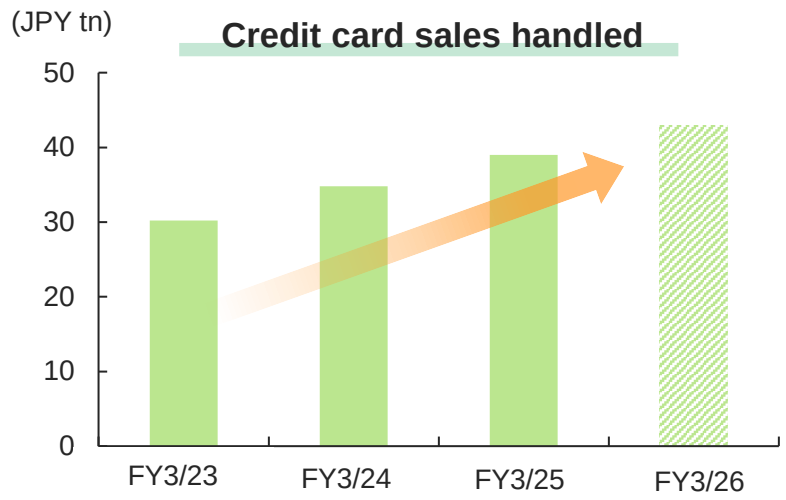
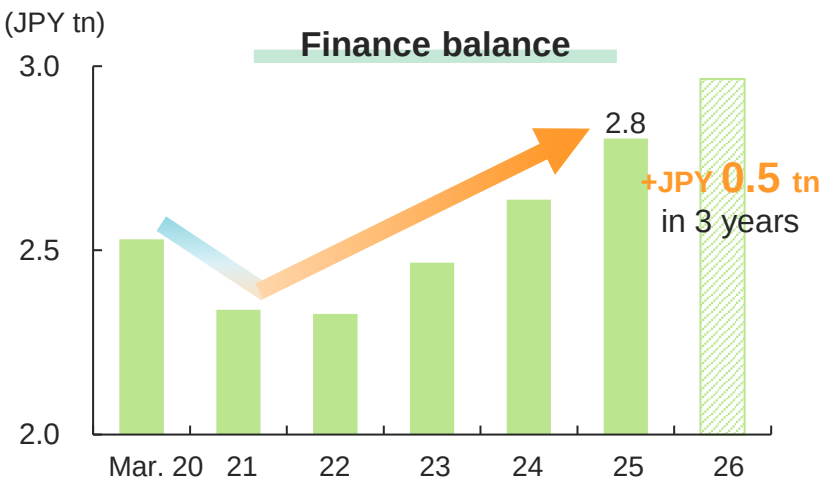
# Progress of the Plan (2)

## Payment business / Consumer finance




## Cost control

**Overhead ratio**

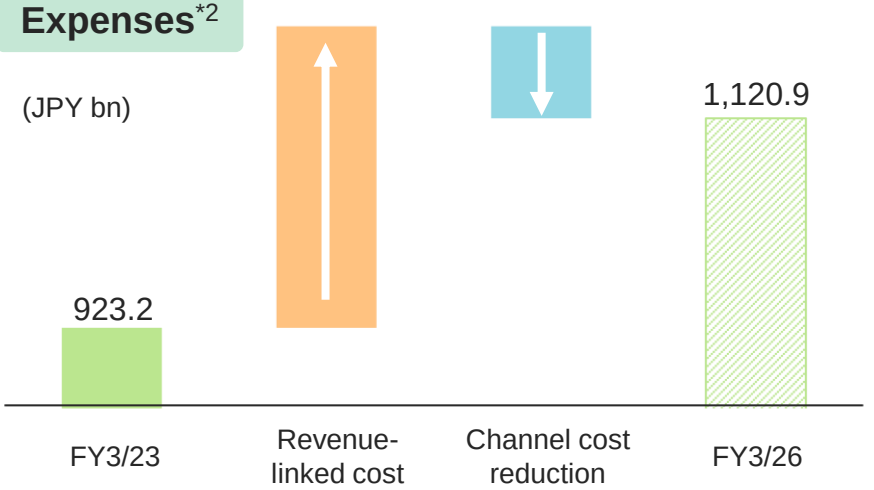
FY3/23 87% → △12% → FY3/26 75%

| | | |
|---|---|---|
| **Channel cost** | **Branch cost** (per branch) | **(46)%** |
| | **# of STOREs** | **121 STOREs** |
| | **Cost reduction**[*1] | **JPY (28) bn** |

**Mortgage loan**

**Digitalize loan management / contract**
**Improve profitability through consulting**

**Expenses**[*2]




*1 Cumulative figure in the current Medium-Term Management Plan period *2 Managerial account basis of FY3/26

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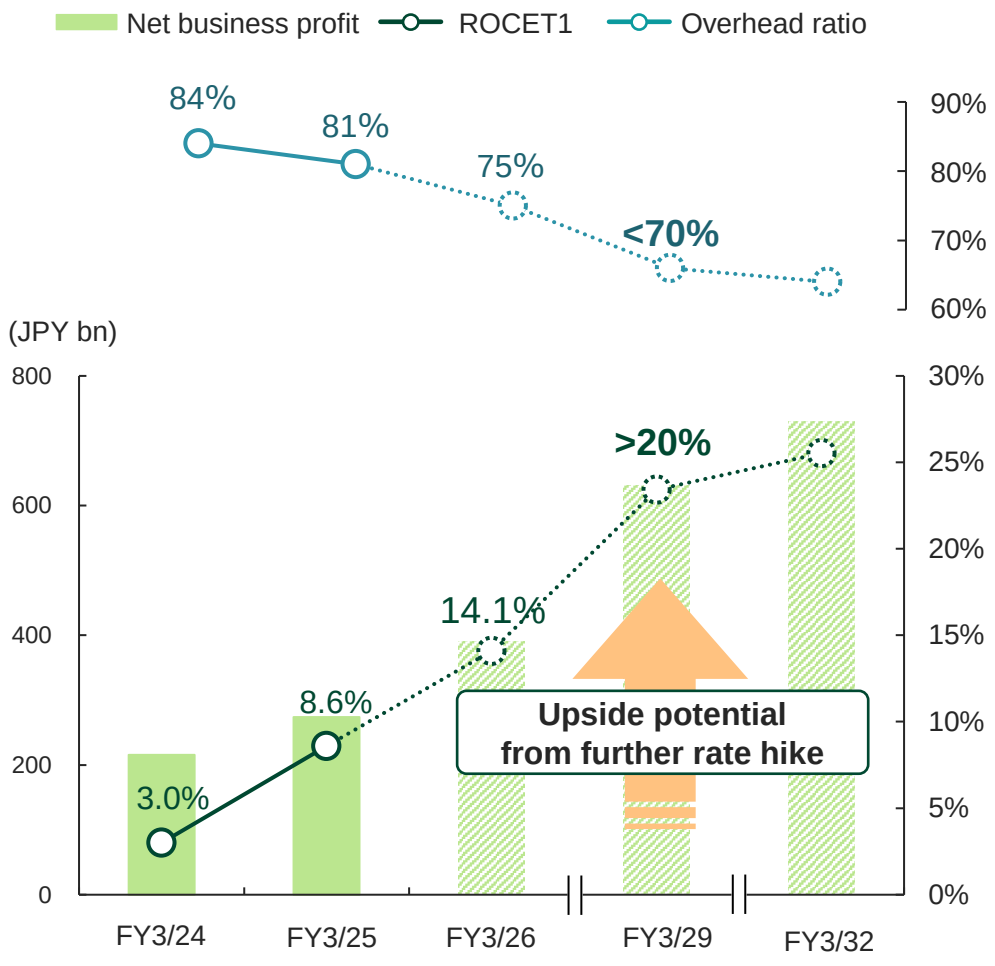
# Long term aspiration

## Net business profit and ROCET1




Assumption of policy rate: FY3/27 0.75%, FY3/28 onward 1%

**1 Olive**

Expand and leverage platform

**2 Wealth Management business**

Further strengthen
group-based operation

**Enhance competitiveness by upgrading each strategy**

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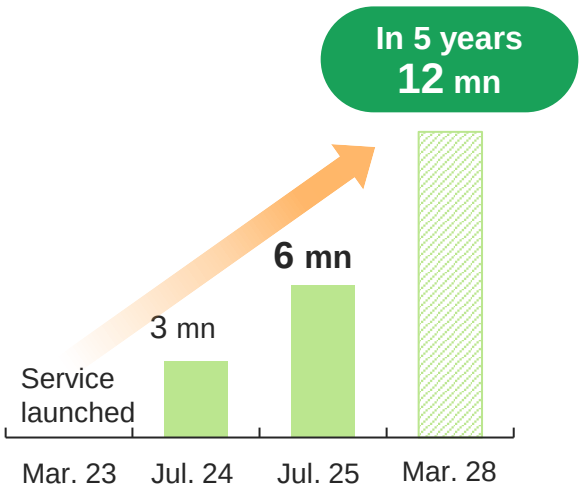
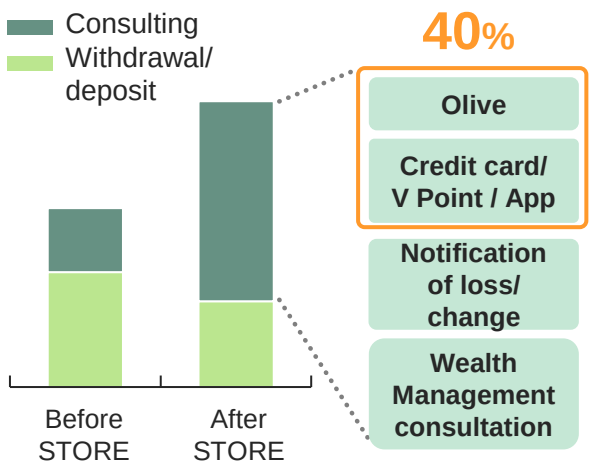
# Progress of Olive

## # of accounts




## Hybrid of Olive and STORE

### Purpose of visiting STORE




## Expected profit

**Net business profit**

**FY3/25:** Achieved a single-year profit

**FY3/26:** JPY 20 bn

**Next mid-term plan** (FY3/29)

JPY **80** bn

Assumption of policy rate: 0.5%

| Deposit income | Payment revenue |
|---|---|
| Deposit balance >JPY **13** tn | Sales handled +JPY **5** tn |
| Margins: **40**bps | |
| Further upside with rate hikes | Credit card: Usage rate ↑ Unit price ↑ |
| Deposit income + JPY **50** bn | Payment revenue >+JPY **10** bn |

+

Expected to generate other related earnings (e.g. wealth management business)

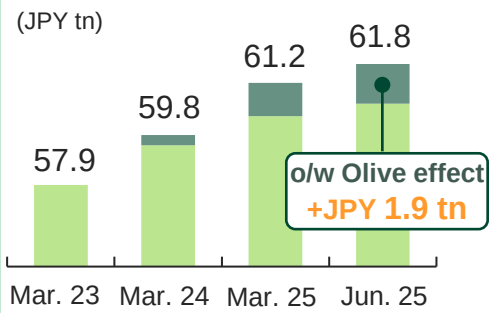
## Positive impact from Olive

### Change after the service launched

| | After Olive |
|---|---|
| Salary transfers*1 | +7% |
| Money transfer via App*1 | +15% |
| New customers in urban areas*2 | Approx. x10 |

## Increase in deposits

**Retail deposits** (SMBC)




**Increase of retail deposit***3

| SMBC | Peer A | Peer B |
|---|---|---|
| +6.7% | +3.8% | +3.0% |

*1 For accounts switched to Olive within a year of launch, comparison of the month immediately pre-switch vs Apr.25 month-end.
*2 Comparison of the number of new account during Mar.22-Feb.23 and Mar.24-Feb.25. *3 Change from Mar.23 to Jun.25.

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# Business expansion centered on Olive

## Leverage platform

SMBC × SBI GROUP

Flexible Consulting

## Comprehensive mobile service

Olive

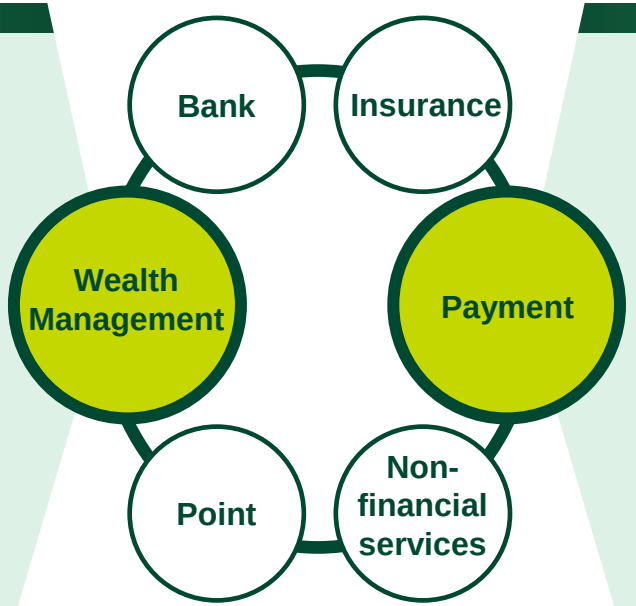
## Expand platform

SMBC SUMITOMO MITSUI CARD × PayPay

Card payment No.1

Code payment No.1

- Choose convenient channel for you
- Your own advisor
- Your own professional team




- Special benefits for SMCC on PayPay
- Olive comes standard with PayPay
- Points interchangeable with each other

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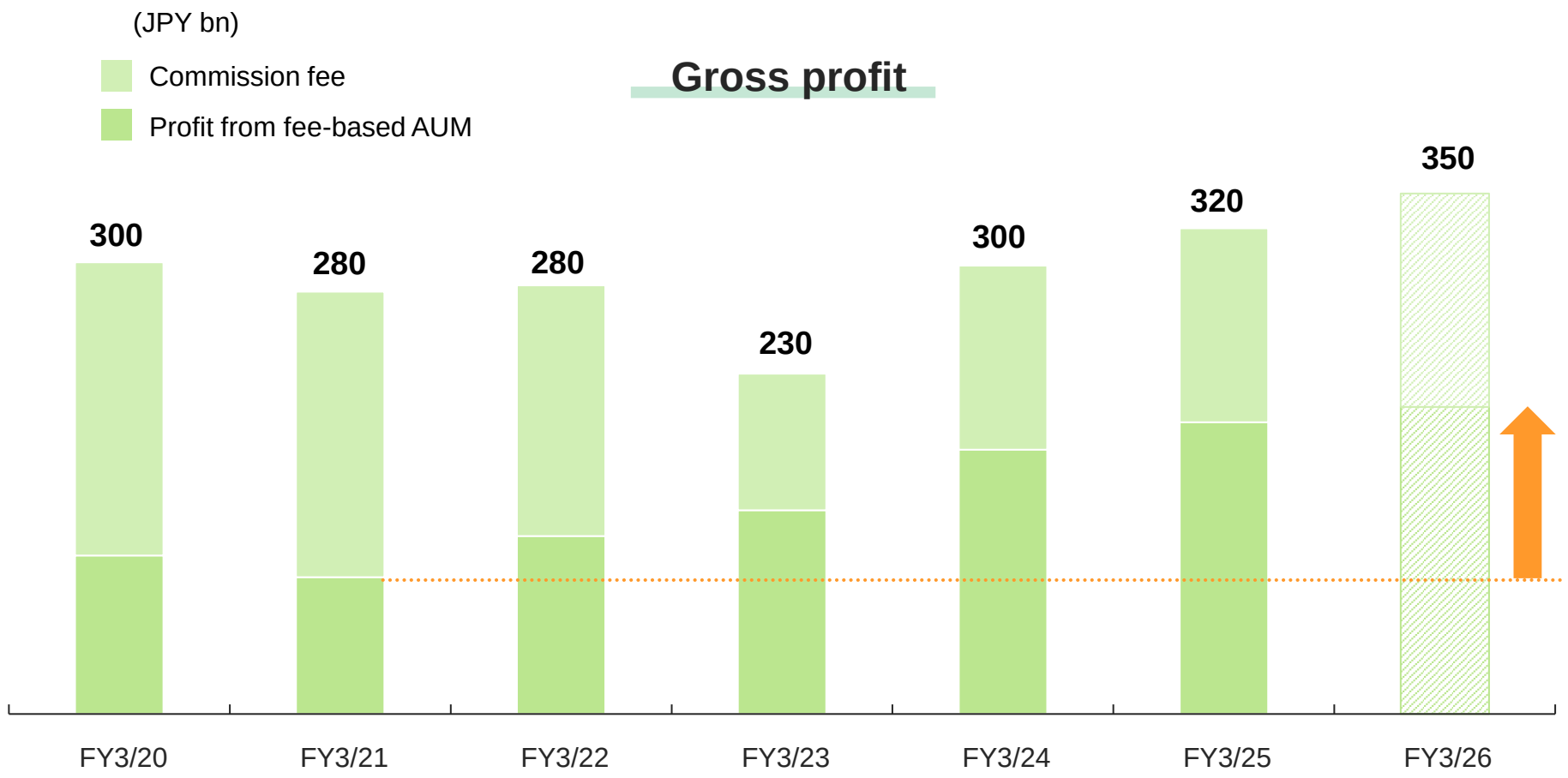
# Wealth management business

## Shift to fee-based AUM business with medium- to long-term diversified investments

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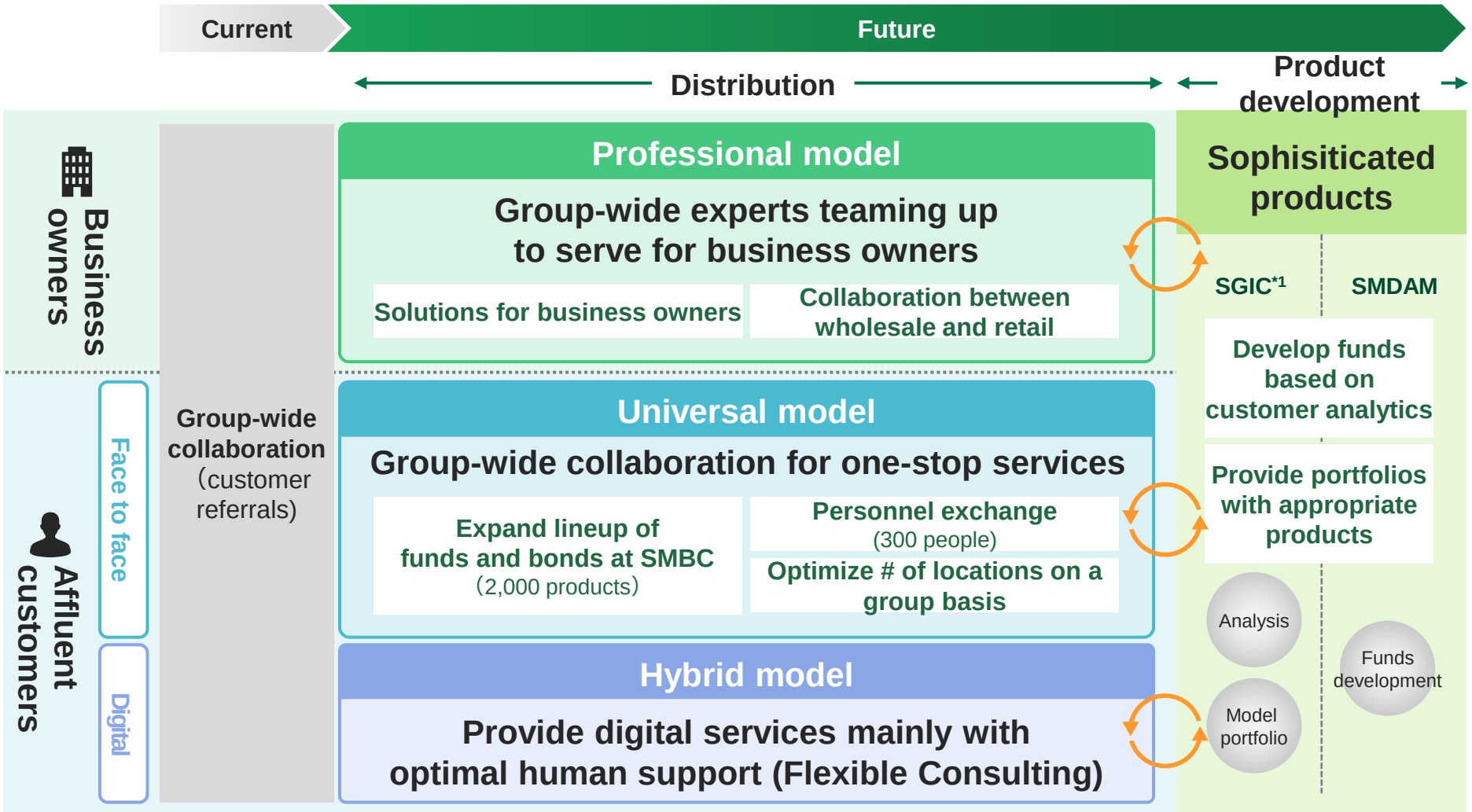
# Direction of wealth management business

**Provide optimal solutions for diverse customer needs by strengthening group-based operation**




*1 SMBC Global Investment & Consulting

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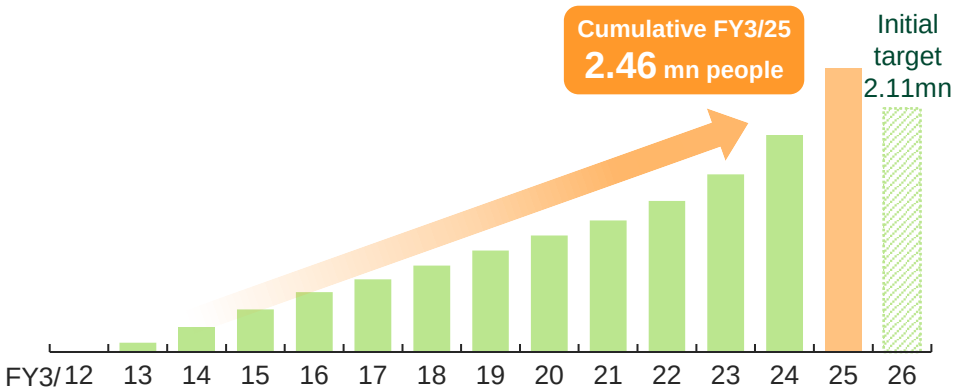
# Efforts to create social value

## Improve financial literacy

### # of participants in financial literacy program




(Ref.) # of participants in financial literacy programs provided by Peer A is total of 400K people Apr. 08 to Apr. 24

## 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**[*1] Under custody
**>JPY 2.3 tn**
(x1.3 times in 2 years[*2])

**# of wills**[*1]
**Approx. 6.5K**

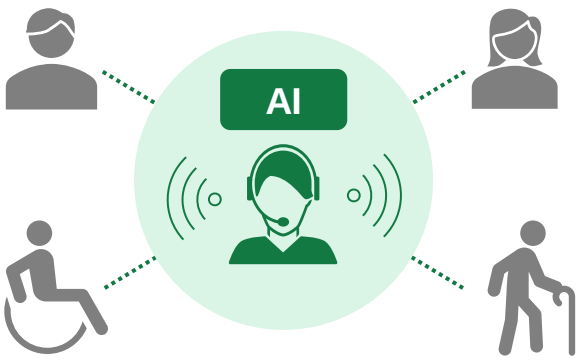
**# of customers**[*1]
**>90K**

## Lectures on preventing financial crime

### Outreach lectures for junior / high school students

## Improve accessibility with AI

### Realize an easy-to-use, always-connected call center for everyone




*1 Results of Jun. 25 *2 Comparison between Jul. 23 and Jul. 25

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# Global

**Yoshihiro Hyakutome,**
**Deputy President and Executive Officer**

**Keiichiro Nakamura,**
**Senior Managing Executive Officer**

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# 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

| ROCET1 | Net business profit | RWA |
|---|---|---|
| FY3/26 **8%** | FY3/26 **JPY 585 bn** | In 3 years **+JPY 3.9 tn** |
| FY3/25 **7.7%***2 | FY3/25 **JPY 592 bn** | by FY3/25 **+JPY 1.2 tn** |

## KPI

| | | FY3/23 | FY3/25 | FY3/26 target |
|---|---|---|---|---|
| Net business profits from overseas securities | | JPY 22 bn | JPY 25.8 bn | JPY 49 bn |
| Net business profit of the Americas Division | | USD 1,344 mn | USD 1,653 mn | USD 1,844 mn |
| Share of U.S security IG corporate bonds*3 issued | | 2.3% | 3.4% | 3.5% |
| ROE of investees in Asia*4 | | (0.4)% | 3.3%*4 | 9.5% |
| Net income of investees in Asia | | JPY (1) bn | JPY 19 bn | JPY 46 bn |
| Social Value*5 | Sustainable finance | JPY 4.8 tn | JPY 10.1 tn | JPY 10.5 tn |

*1 Assumption of FY3/25 USD1=JPY 120 *2 Excl. the sales of low-profit assets *3 Investment Grade
*4 Excl. the impairment of goodwill *5 FY3/25 and FY3/26 target are cumulative for Medium-Term Management Plan

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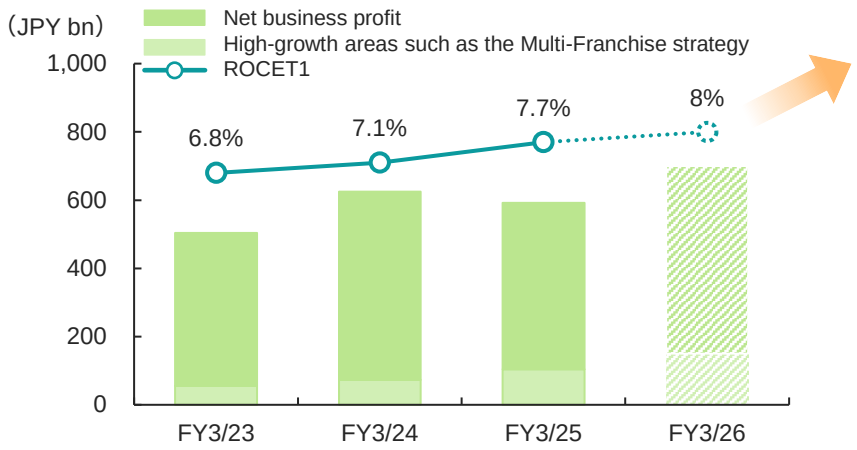
# Medium-Term Management Plan

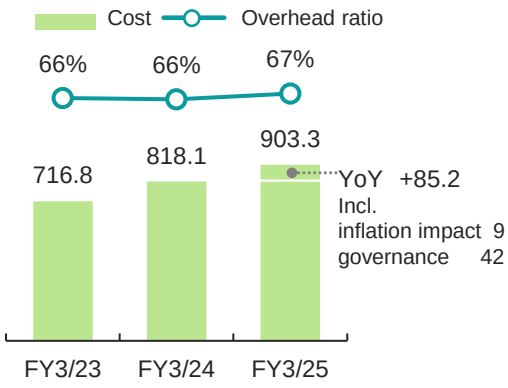
## Financial result[*1]

### Improve ROCET1 by reallocating assets




## Cost control[*2]

### Keep overhead ratio flat through gross profit growth and cost reduction




**Cost Control Initiatives**

FY3/25

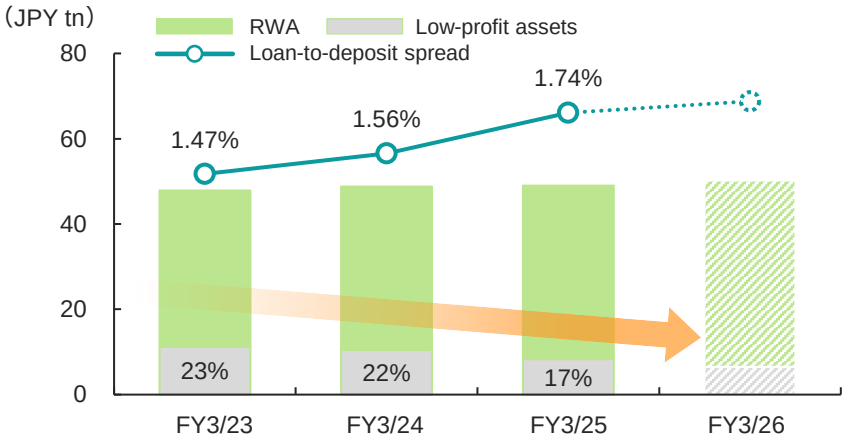
Reduce JPY **(180)** bn

**Operations Hub in India**

Consolidate operations and improve the overhead ratio

## Initiatives to improve capital efficiency[*3]

### Improve profitability of the balance sheet by accelerating reduction of low-profit assets




| FY3/25 | RWA Reduction | ROCET1 impact |
|---|---|---|
| Total low-profit assets | JPY (2.2) tn | +21bp |
| non-Japanese | JPY (0.9) tn | +9bp |
| Japanese | JPY (0.7) tn | +4bp |
| Project Finance, etc. | JPY (0.6) tn | +8bp |

**FY3/26**

- **Accelerate reductions through profitability criteria reviews and client-specific action plans**
- **Reallocate capital to high-margin, high-growth areas**

*1 After adjustments of the changes in exchange rates, excl. the sales of low-profit assets for FY3/25
*2 Excl. the consolidation of OTO/SOF and the sales of project finance in Europe
*3 FX rate is fixed at JPY 140 each fiscal year

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# Transformation: CIB business

## Enhance business model

### Achievement

- Steadily expanding profitable fee business

**League table for non-Japanese IG DCM**

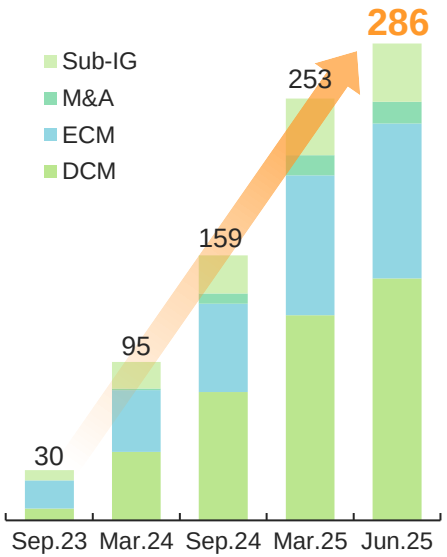
| Issuance share | | Rank | |
|---|---|---|---|
| Americas | | Americas | |
| FY 3/23 | **FY 3/25** | FY3/23 | **FY3/25** |
| **2.3%** → | **3.4%** | **# 14** → | **# 10** |

### Medium- to long-term direction

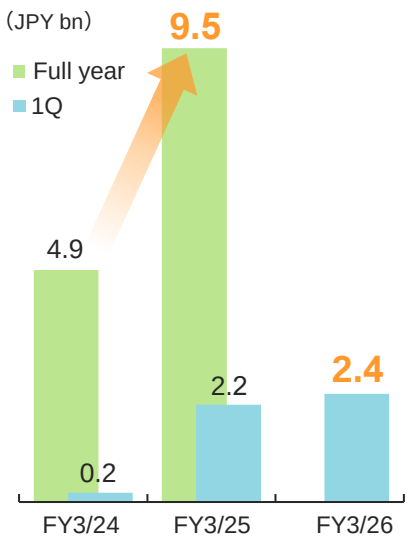
| | | |
|---|---|---|
| **Improve B/S profitability** | + | **Enhance non-asset businesses** |
| **High-profitable businesses** | | **Collaboration with Jefferies** |
| **Asset-turnover/ OTD** | | **Transaction banking** |

## Collaboration with Jefferies

**# of collaborated deals**




**Profit from collaborated primary deals*1**




### Example of collaborated deal

**June 2025**

SMBC
*Active Bookrunner*
and
*Sustainability Coordinator*
Jefferies
*Financial Advisor*

- Acquisition of Daisy Group's B2B Business by Virgin Media O2, a Leading UK Telecom Operator
- SMBC leveraged its strong client relationship to secure roles as Active Bookrunner and Sustainability Coordinator, reflecting its ESG financing expertise
- Jefferies served as Financial Advisor

*1 Profit attributable to SMBC Group from collaborated deals with Jefferies

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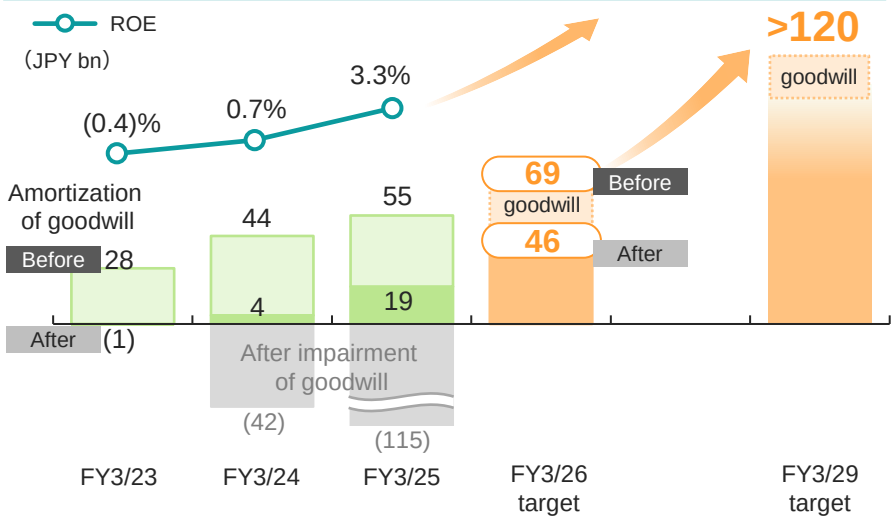
# Growth: Multi-Franchise Strategy

## Profit target

### Bottom-line profit contribution

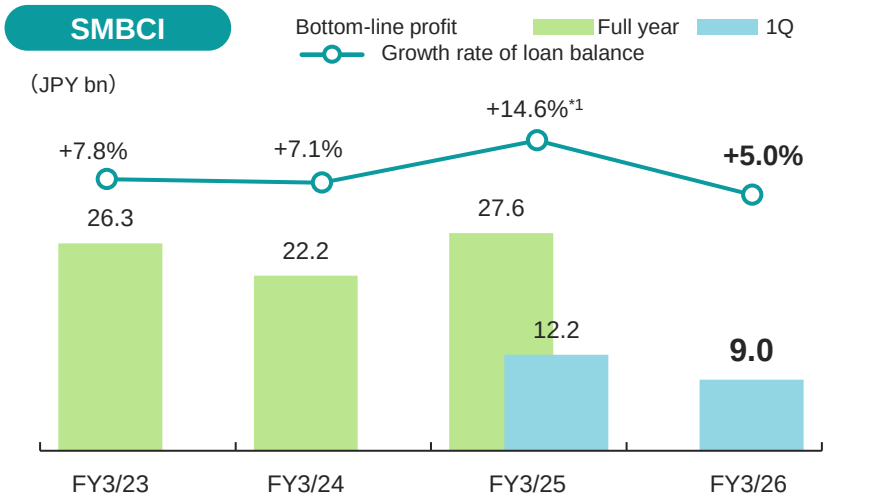



### Actions towards FY3/29

**Allocate resources to support the growth strategy**

| | |
|---|---|
| **Governance enhancement** | ● Strengthen talent deployment in critical areas<br>● Build and secure a global retail talent pool |
| **The SMBC advantage** | ● Share our knowledge across retail and wholesale<br>● Develop services leveraging the Japan Edge |
| **Funding support** | ● Support asset growth overwhelming market (capital raising and debt funding support) |
| **India strategy** | ● Cover all segments together with YES BANK<br>● Accelerate the growth strategy including deeper collaboration with existing investees |

## Indonesia




### Drastically strengthen retail business

- Net income for 1H FY3/26 declined due to forward-looking provisions of JPY 1.4 bn to prepare for specific borrowers
- Currently focused on acquiring low-cost deposits from corporate and retail customers and on expanding retail loans incl. OTO/SOF
- Aim to maintain bottom-line profit level for FY3/26 by improving loan spreads and funding costs and enhancing collections

*1 Incl. the consolidation of OTO/SOF

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# Growth: Multi-Franchise Strategy

## India

### Established India Division (Apr.25)

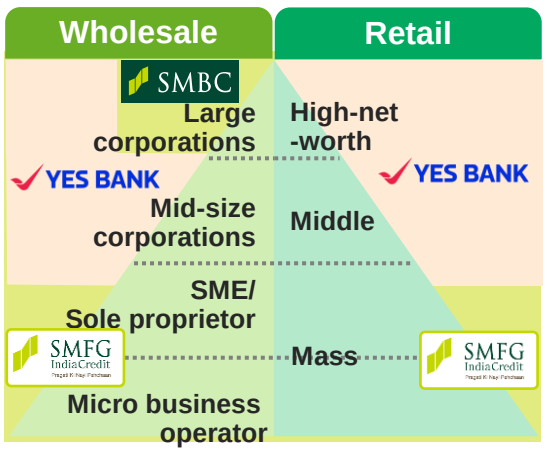
- Accelerate our growth strategy in India
- Achieve full-coverage across all customer segments through our investment in YES BANK
- Streamline operations with a new operations hub

### High growth potential

| | India | China | U.S. | Japan |
|---|---|---|---|---|
| Real GDP growth forecast *1(2026) | 6.5% | 4.1% | 2.0% | 0.8% |

| | (2022) | | (2047) |
|---|---|---|---|
| GDP(nominal) *1 | USD 3.4 tn | » | USD 32 tn |
| GDP ranking*1 | # 5 | » | # 2 |

### Coverage area in India




**SMBC**
- Expertise with Japanese, local major, and multi-national corporations

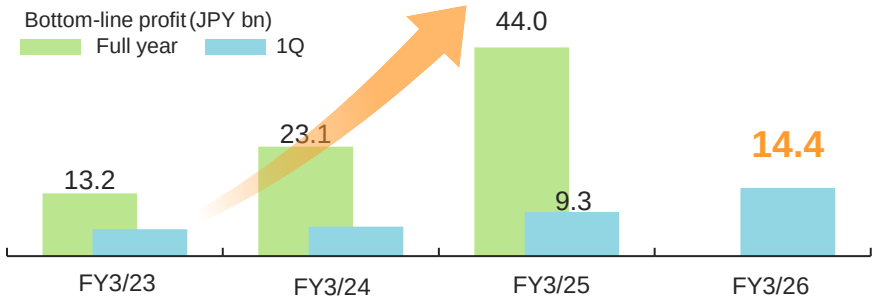
**SMICC**
- Pan-India coverage with a focus on suburban and rural areas

**YES BANK**
- 6th-largest by assets in the private bank
- Strong digital capabilities

### Investment in YES BANK

- Regulatory approvals secured; once final conditions are met, share acquisition and board appointments to follow; YES BANK to become an equity-method affiliate.

**Financial Result** Entered to a growth phase

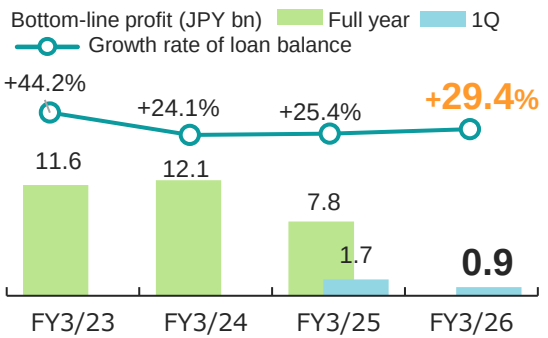



**Expected collaborations after investment**

Lower Funding Costs | Cross-Border Collaboration | Enhanced Governance

External ratings upgraded by 1–2 notches following our investment announcement

**SMICC**




- Strong loan growth
- Lower earnings in FY3/25 resulted from higher credit costs, primarily in unsecured loans
- Stable loan and profit growth by strengthening secured-lending

*1 Source：RBI Database、IMF Database

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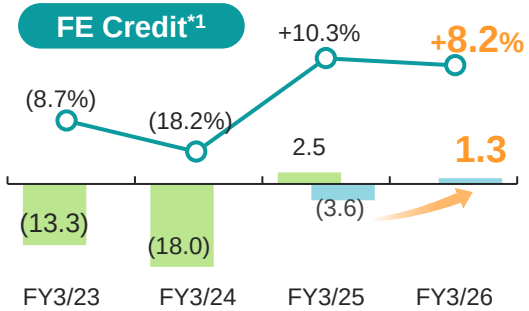
# Growth: Multi-Franchise Strategy, Alternative Investment

## Vietnam

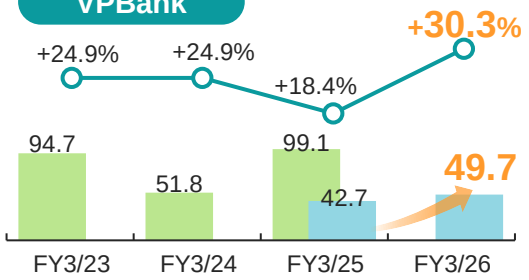
Bottom-line profit (JPY bn) Full year 1H
Growth rate of loan balance

### FE Credit*1




- Governance enhancement through management renewal
- Loan growth recovering
- Credit cost ratio*2 improving

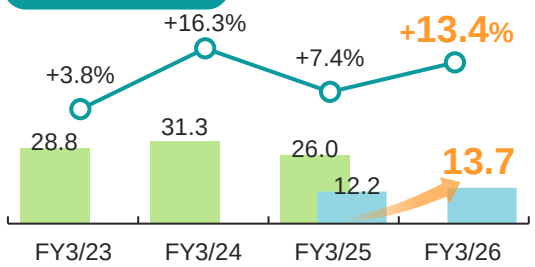
### VPBank




- Loans grew significantly
- Improved asset-quality reduced credit costs; bottom-line profit of 1H increased significantly

## Philippines

### RCBC



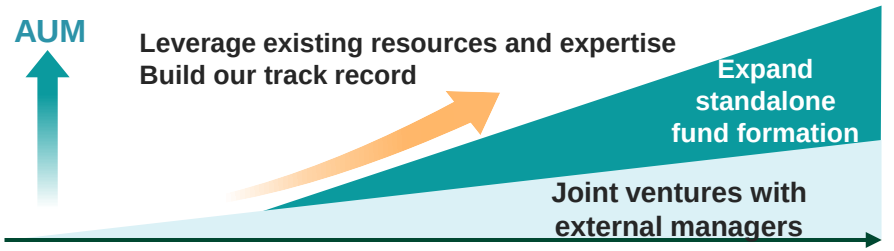

- Steady loan growth, primarily in retail
- Lower funding costs and expand NIM by reducing high-cost deposits

## Alternative investment

- **Expand high-ROE, asset-light asset management**

### Scale AUM

Current → Future




### Collaborate in distribution

**Establish an integrated, cross-product, cross-sector coverage model**

SMBC × Sumitomo Mitsui DS Asset Management × SMBC NIKKO

**Build a global asset management platform in private markets**

### Initiatives leveraging our franchise and edge

| | |
|---|---|
| **LBO** | ● Jul.24：Launched a European private credit fund<br>● May.25：Launched a U.S. private credit JV |
| **Real Estate** | ● Sep.25：Plan to launch of an Asia real estate debt fund |
| **Aircraft** | ● Jan.24：Established a JV between SMBC Aviation Capital and a Canadian pension fund |

*1 Managerial accounting basis *2 Credit costs / Loan balance

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# Global Markets

**Arihiro Nagata,**
**Senior Managing Executive Officer**

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# 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
- Improve global presence via capability upgrades

**Foreign Currency B/S Management**

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

## Financial target

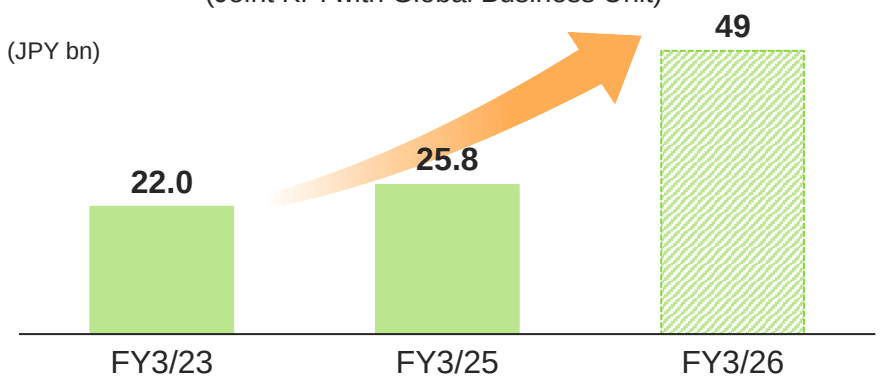
| ROCET1 | Net business profit | RWA |
|---|---|---|
| FY3/26 **15%** | FY3/26 **JPY 340 bn** | In 3 years **+JPY 1.4 tn** |
| FY3/25 **20.9%** | FY3/25 **JPY 474.5 bn** | by FY3/25 **+JPY 1.0 tn** |

**Increase net business profit aiming to exceed ROCET1 target continuously**

## KPI

**Net business profit from overseas securities**

(Joint KPI with Global Business Unit)




*1 Insight, Imagination, Intelligence

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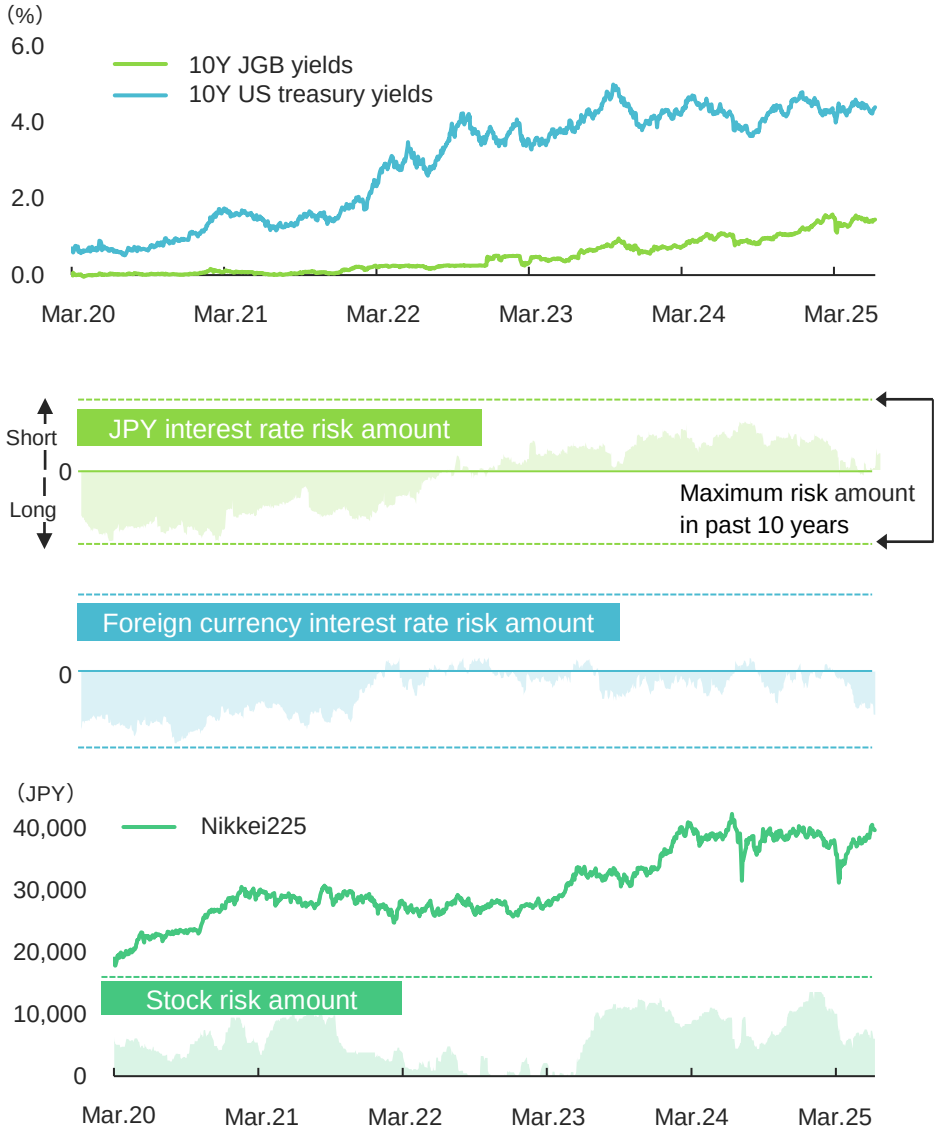
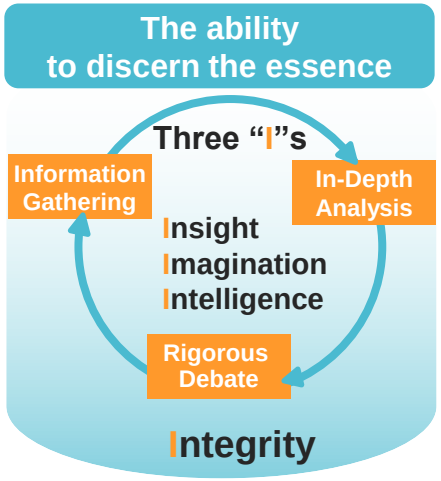
# Portfolio management

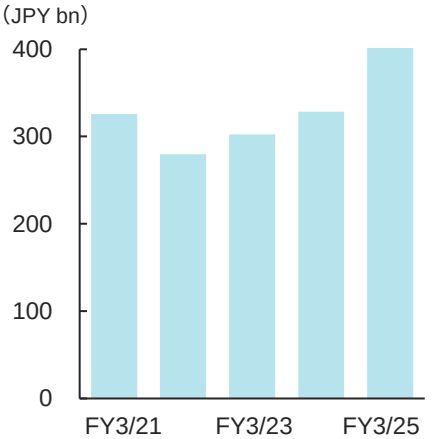
## Leverage our investment capabilities to navigate market volatility with agility




### Engage the market with integrity and earn fair




**SMBC gross profit trend*1**




### Building an organization of world-class professionals

**Identify and develop high-potential talent**

Hiring by business units

Revised personnel system

**Supply asset management human resources**

**Create Social Value**

*1 Banking +Trading profit

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# Sales & Trading

**Improve global presence by leveraging Japan-specific advantages, scaling U.S. operations, and enhancing our client base and solution delivery.**

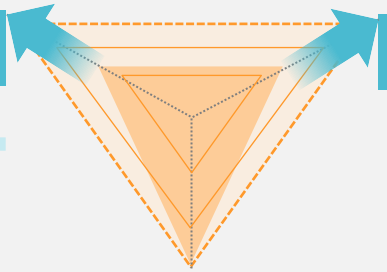
## Capability Upgrades

### Client reach

**Enhance cross-selling**

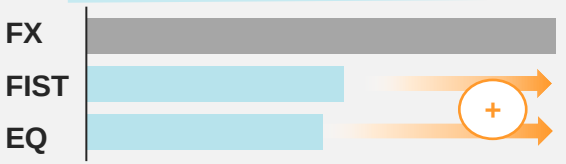
**Accelerate Onboarding**

### Trading

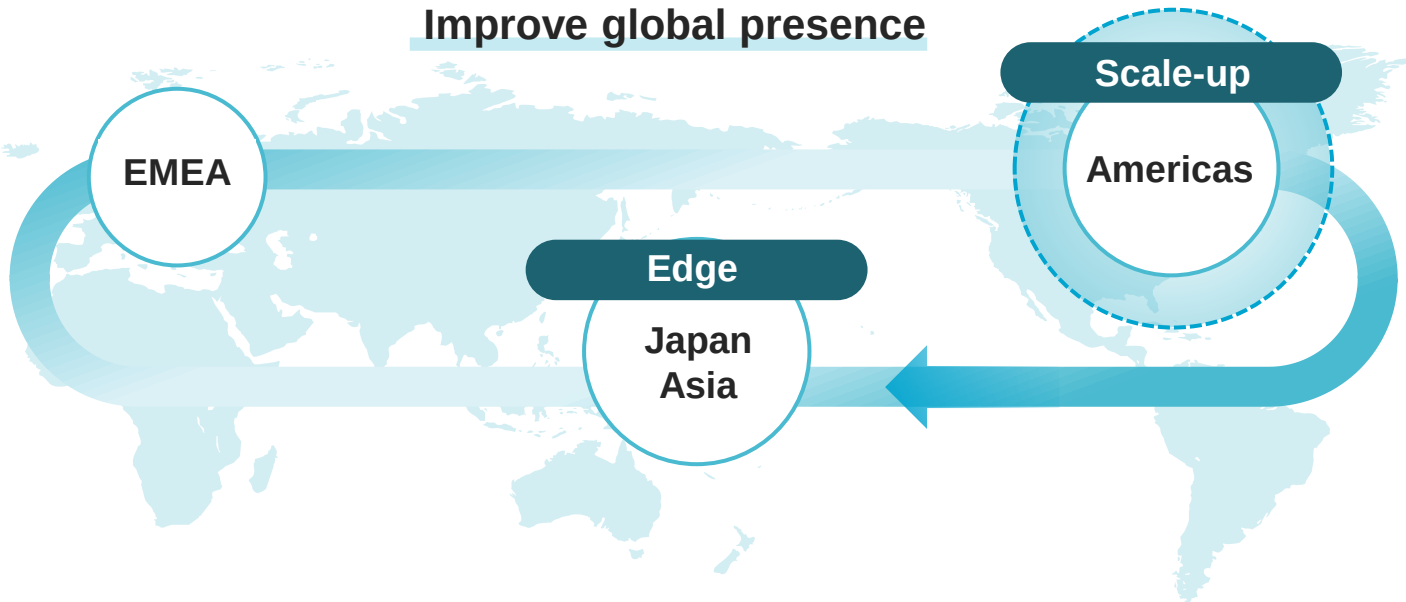


### Product solutions

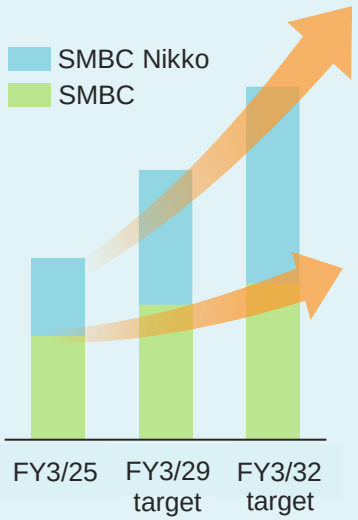
**Expand the product lineup**




## Improve global presence




## S&T profit

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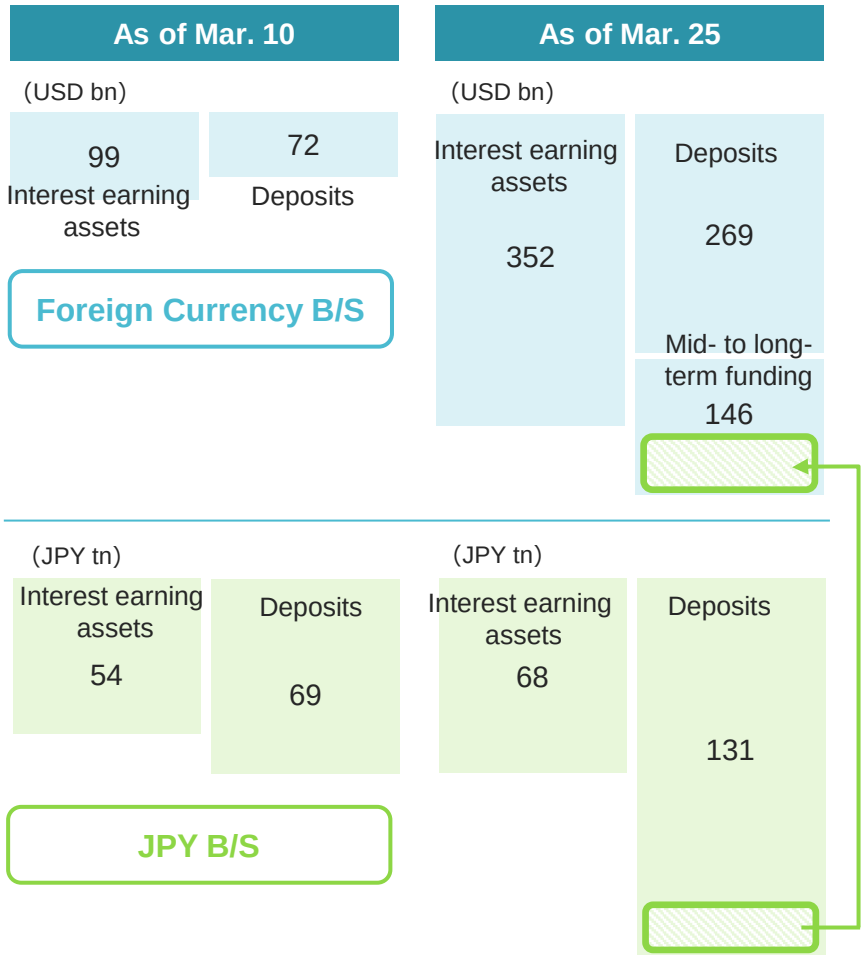
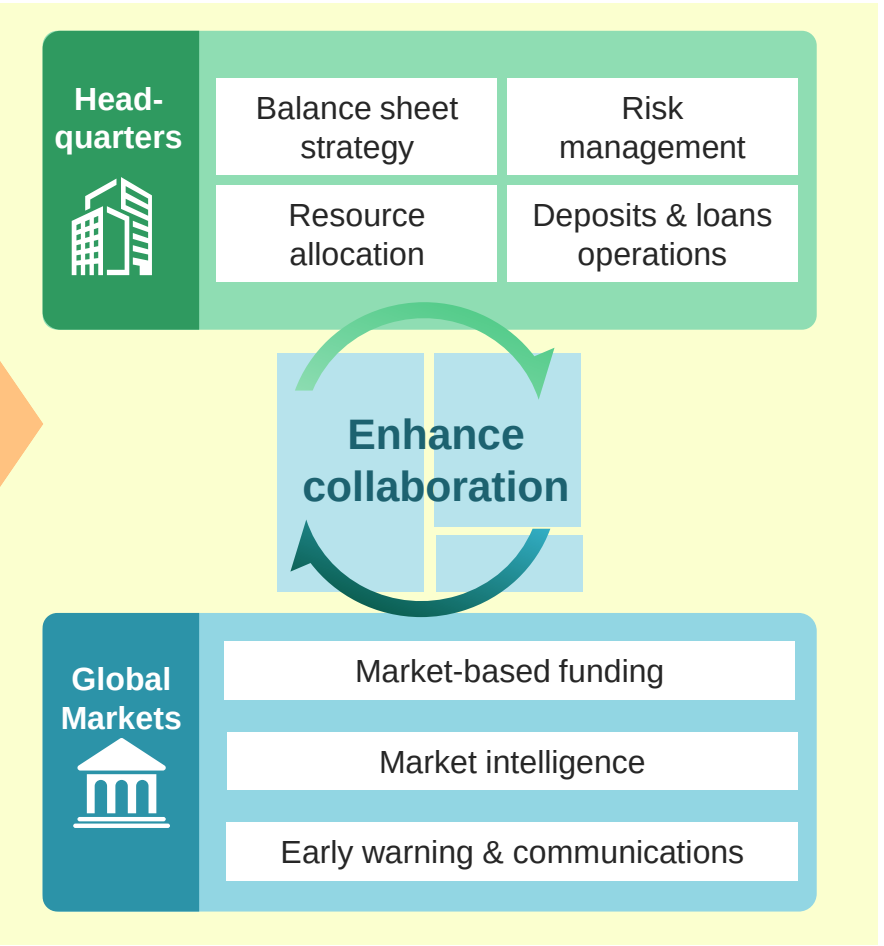
# Foreign currency B/S management

## Advance balance sheet management focused on stable funding and capital efficiency

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# CFO Session

**Kazuyuki Anchi,**
**Group CFO**

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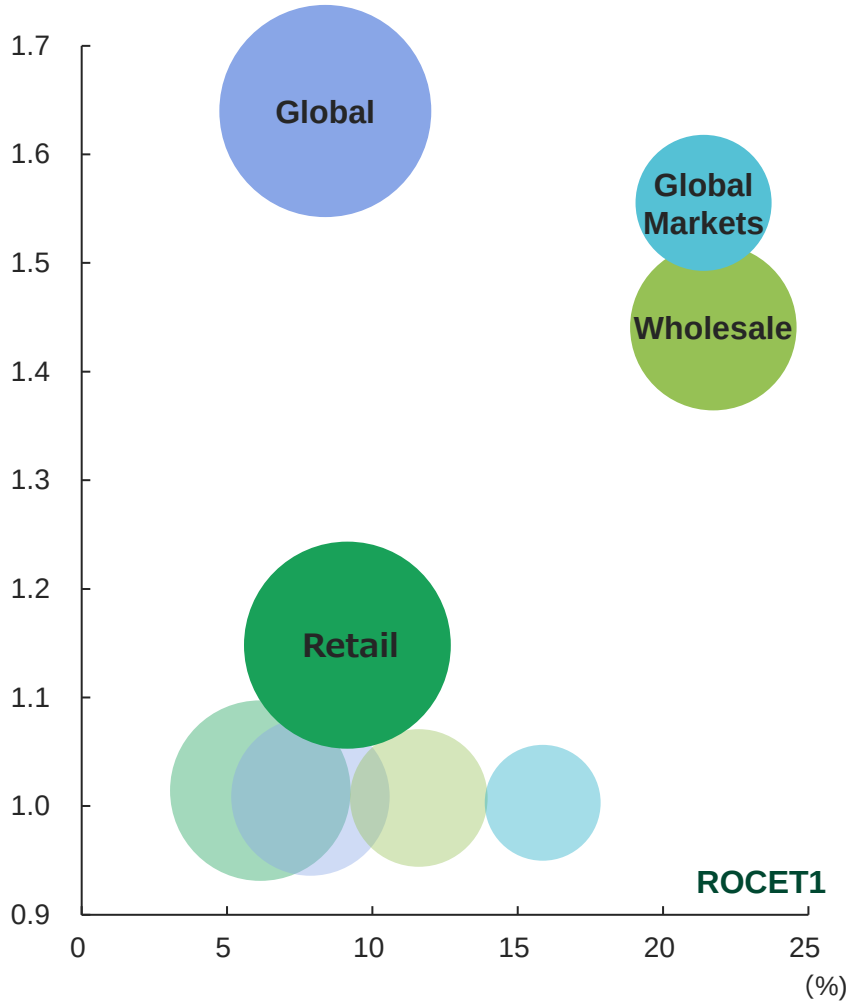
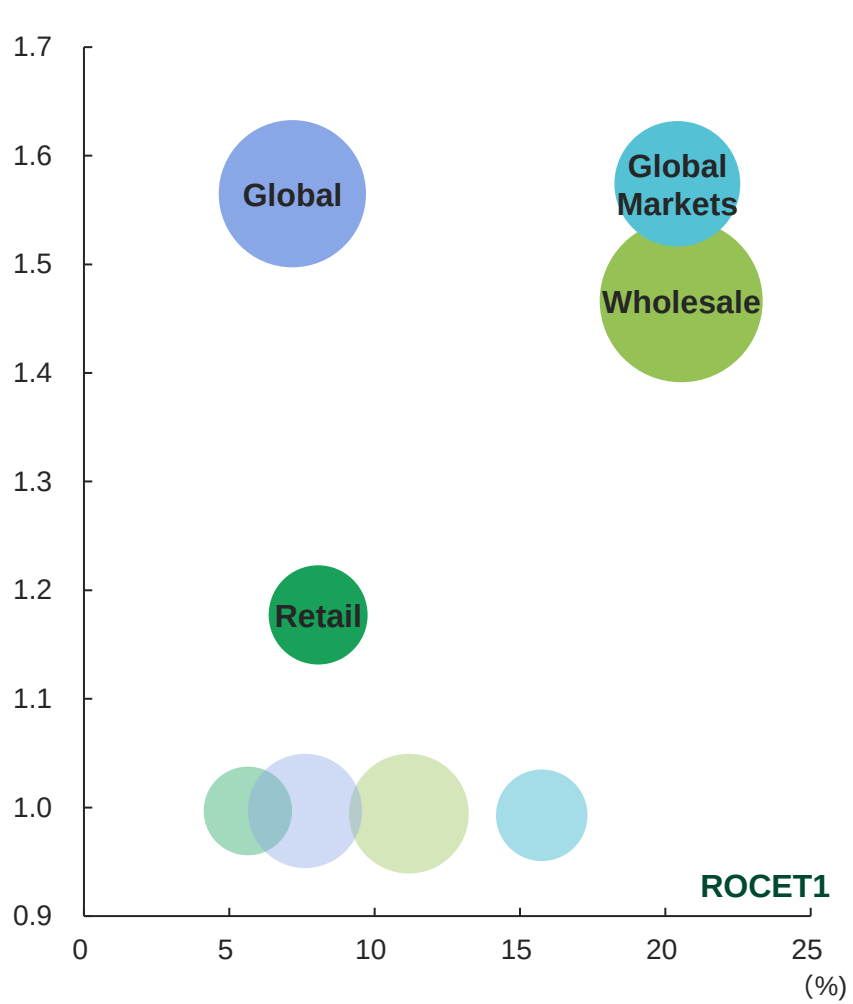
# Presentation Summary

## Profit and ROCET1 by Business Unit*1 (trajectory from FY3/18 to FY3/25)

### Gross profit




### Net business profit




*1 FY3/25 figures indexed to FY3/18=1. Bubble size is proportional to the profit level

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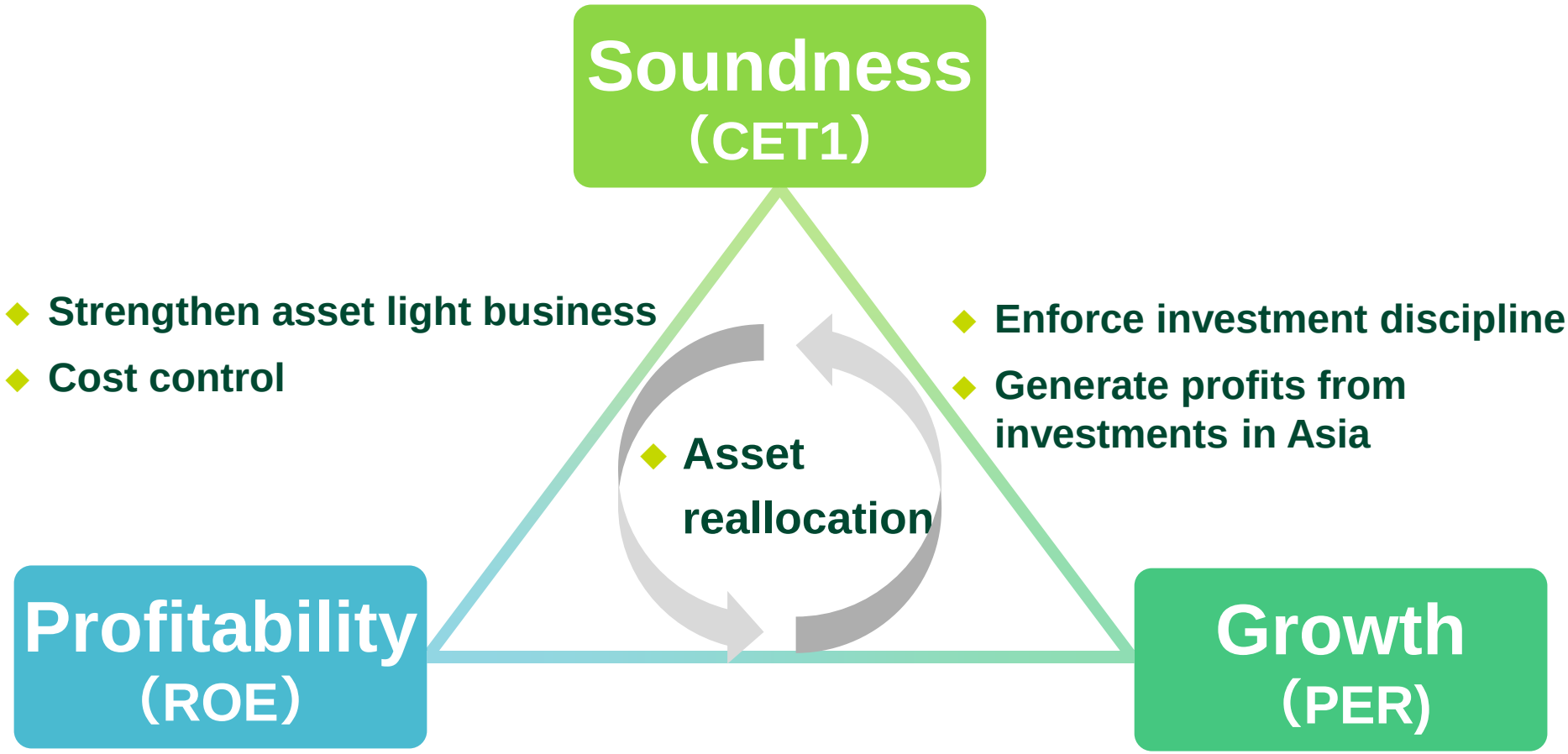
# Key focus areas for CFO/CSO




- Balance short- and long-term profitability
- Mitigate “profit cliff” from gains on sales of equity holdings

+

**Pursue differentiation**

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# Financial result / Capital

## Result of 1Q FY3/26

- **Progress rates for both consolidated business profit and bottom-line profit are 29%**
- The anticipated negative impact of JPY 100 bn from U.S. tariffs has not yet materialized
  - Customer sentiment remained favorable in 2Q. The negative impact is not expected to materialize if the current environment continues.

## Capital

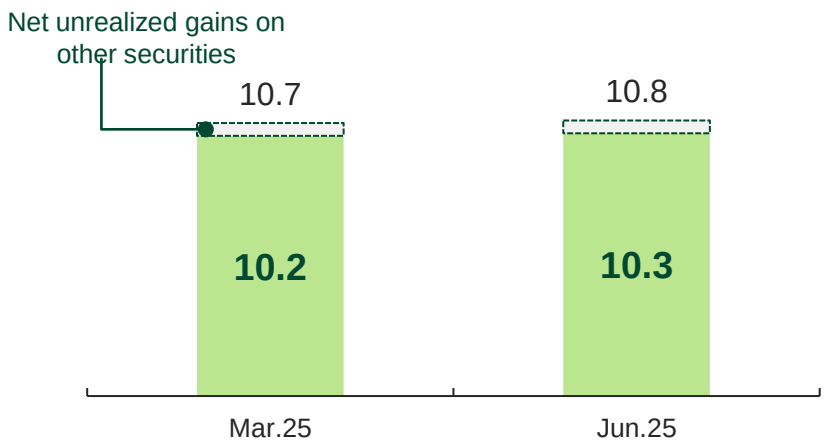
- **CET1 ratio is 10.3% as of Jun.25**
  - ✓ The impact of YES BANK investment is not reflected yet, but it has been already included in capital allocation for FY3/26. CET1 ratio will be maintained approx. 10% even after investment.
- Basic capital policy is unchanged

### Estimated impact of the U.S. tariffs

| | | Assumption | | | Jun.25 |
|---|---|---|---|---|---|
| | | Initial | Revised | Impact | |
| **Rates** | **10-year JGB** (%) | 1.5 | 1.3 | (15.0) | 1.43 |
| **FX** | **USD** (JPY) | 145 | 140 | (12.5) | 144.81 |
| **Stock** | **Nikkei index** (JPY) | 41,000 | 37,000 | (35.0) | 40,487 |
| **Business** | Wealth management, Domestic wholesale, Multi-Franchise strategy | | | (37.5) | |
| | **Bottom-line profit** | | | (100) | bn |

### Finalized Basel III basis (financial target)

(%)

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## Exchange rates (TTM)

| | Mar.24 | Mar.25 |
|---|---|---|
| USD | 151.33 | 149.53 |
| EUR | 163.24 | 162.05 |

# Definitions

| | |
|---|---|
| SMFG | Sumitomo Mitsui Financial Group, Inc. |
| SMBC | Sumitomo Mitsui Banking Corporation |
| SMBC Trust | SMBC Trust Bank |
| SMFL | Sumitomo Mitsui Finance and Leasing |
| SMBC Nikko | SMBC Nikko Securities |
| SMCC | Sumitomo Mitsui Card Company |
| SMBCCF | SMBC Consumer Finance |
| SMDAM | Sumitomo Mitsui DS Asset Management |
| SMBCAC | SMBC Aviation Capital |
| SMICC | SMFG India Credit Company |
| Major local subsidiaries | SMBC Bank International, SMBC Bank EU, SMBC (China) |

| | |
|---|---|
| Expenses (non-consolidated) | Excl. non-recurring losses |
| Net business profit | Before provision for general reserve for possible loan losses |

| | |
|---|---|
| Retail Business Unit (RT) | Domestic retail business |
| Wholesale Business Unit (WS) | Domestic wholesale business |
| Global Business Unit (GB) | International business |
| Global Markets Business Unit (GM) | Market / Treasury related businesses |

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