

Fixed Income Investor Presentation

June 2020

Unless otherwise indicated, the financial figures for SMFG and SMBC included in this presentation are prepared in accordance with generally accepted accounting principles in Japan, or Japanese GAAP



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. 19	Mar. 20
USD	JPY 111.00	JPY 108.81
EUR	JPY 124.55	JPY 119.52

Definitions

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

Agenda

Expected Impact of COVID-19

- Our scenario
 - COVID-19 impact on earnings
 - Credit cost
 - Aircraft leasing
 - Natural resources
-

Results

- Key credit messages
 - Financial results
 - Balance sheet and loan balance
 - Loans
 - Asset quality
-

Funding & Capital

- Foreign currency assets and funding
- Foreign currency issuance and redemptions
- TLAC requirements
- Credit ratings of selected G-SIBs
- Capital strategy

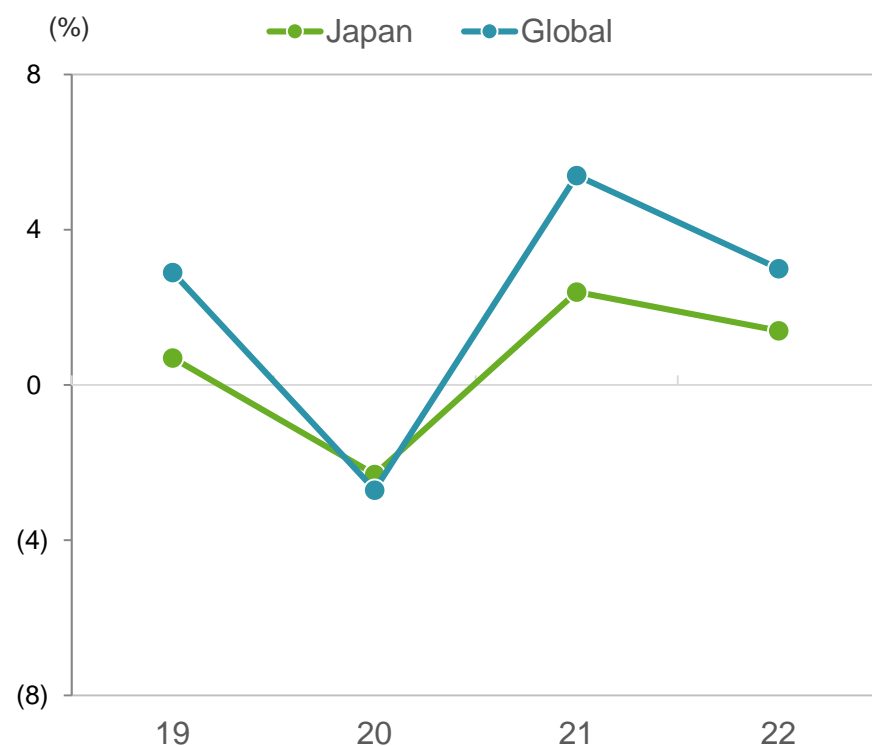
Our scenario

GDP growth rate is expected to be negative in 2020 and recover after 2021.*1

While economic slowdown brings negative impact to our profits, loan demand from companies including prime companies is increasing.

GDP growth rate*1

Expected impact of COVID-19



Impact of COVID-19 on our business

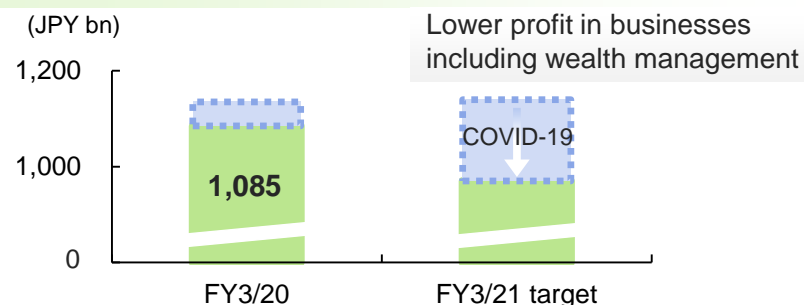
Retail	Sales of investment products	↓
	Credit card sales handled	↓
Wholesale	Fee-income	↓
	Securities business	↓
	Loan income	↑
Global	Loan income	↑
	Deposit income	↓

COVID-19 impact on earnings

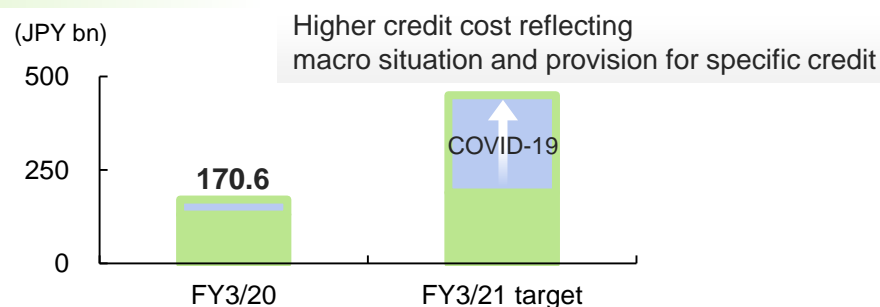
Lower net business profit and increase of credit cost. Loan increase is affecting capital management.

P/L

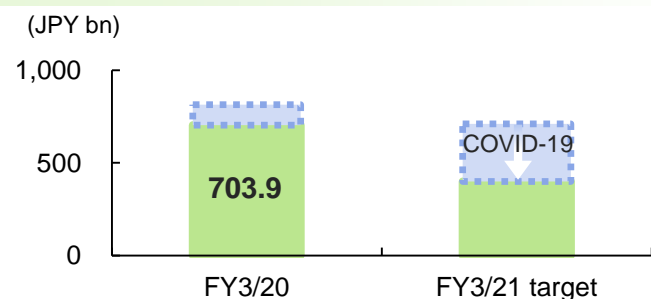
Consolidated net business profit



Credit cost

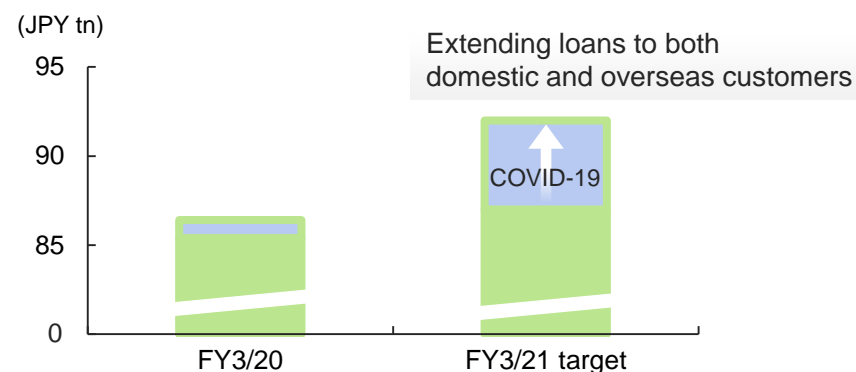


Profit attributable to owners of parent

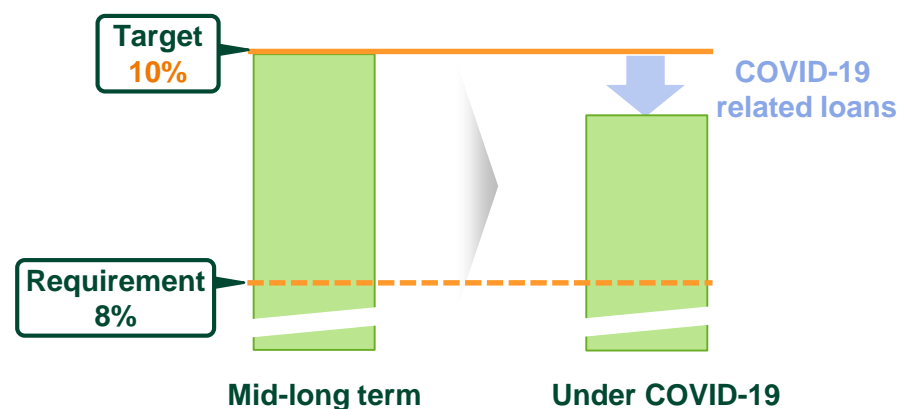


Capital

RWA

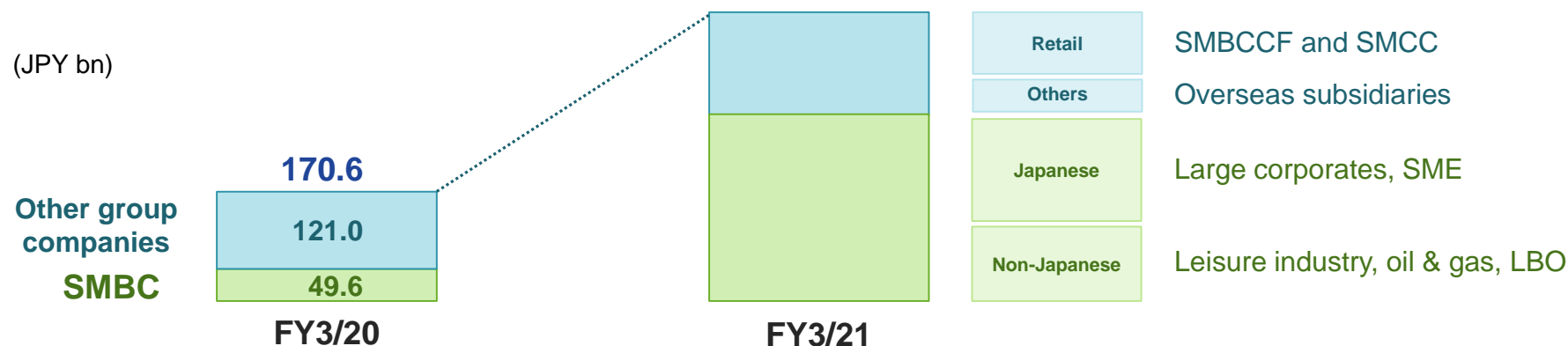


Capital management (post-Basel III exc. OCI)



Credit cost

Credit cost increase expected both domestically and globally due to COVID-19.
However, the financial sector have improved asset quality and resilience since the Financial crisis in 2008.



Comparison

		Current	Financial crisis in 2008												
Credit cost		<div><div></div></div> FY3/21 forecast	<div><div></div></div> JPY 767.8 bn FY3/09												
Asset quality	Retained earnings*1	Japanese large corp. total JPY 463 tn		JPY 241 tn											
	NPL ratio	(Mar.20) 0.5 %		(Mar.08) 1.2 %											
Higher resilience in financial sector due to stricter international regulation		Liquidity support from central banks		Global liquidity crisis											
		Capital accumulation of financial institutions		Shortage in capital and liquidity of financial institutions											
		► Provide credit to clients suffering from COVID-19		► Fund shortage at real estate and non-bank sector											
		<table><tr><td></td><td>Mar.20</td><td>Mar.08</td></tr><tr><td>Tier1 ratio</td><td>16.6%</td><td>6.9%</td></tr></table>			Mar.20	Mar.08	Tier1 ratio	16.6%	6.9%	<table><tr><td>Credit cost</td><td>Real estate (SMBC)</td><td>JPY 100 bn</td></tr><tr><td></td><td>Kansai regional banks*2</td><td>JPY 100 bn</td></tr></table>		Credit cost	Real estate (SMBC)	JPY 100 bn	
	Mar.20	Mar.08													
Tier1 ratio	16.6%	6.9%													
Credit cost	Real estate (SMBC)	JPY 100 bn													
	Kansai regional banks*2	JPY 100 bn													





*1 Source :Policy Research Institute, Ministry of Finance, Japan, Annual Survey of Corporate Enterprises

*2 Deconsolidated in Mar.17

(Ref.) COVID-19 vs 2008 Financial crisis

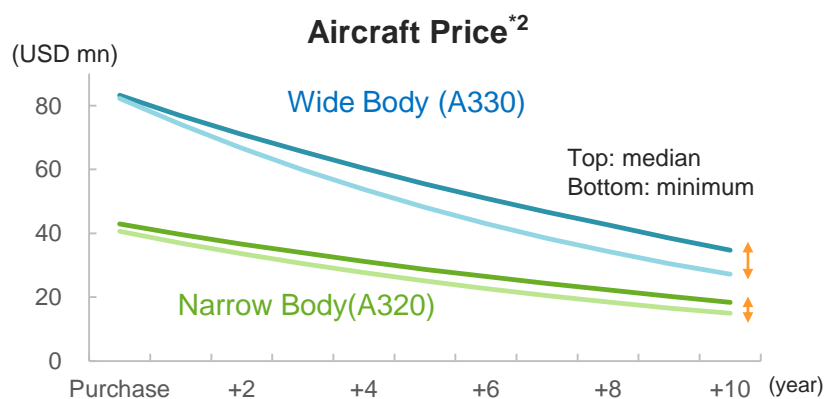
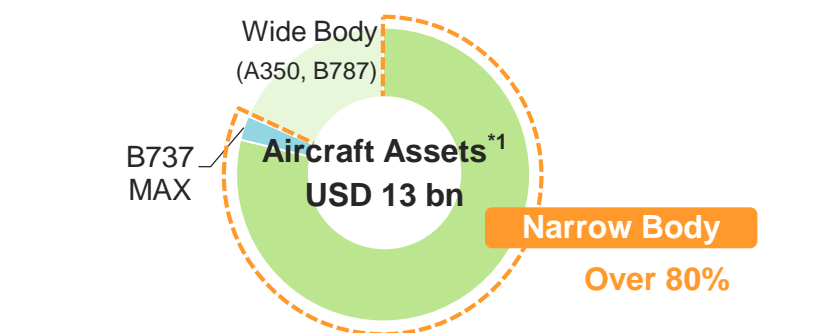
Risk of recording large impairment loss is limited, while credit cost is expected to increase.

Impact is expected in areas including aircraft leasing, credit to natural resources, and foreign currency funding.

		Current	Financial crisis
Bottom-line profit		 FY3/21 target	 JPY (373.5) bn FY3/09
Difference	Credit cost	 FY3/21 forecast	 JPY 767.8 bn FY3/09
	Impairment	Stockholdings break-even Nikkei average JPY 8K No goodwill in major investments	Loss on stocks(FY3/09) : JPY 183.7 bn
	Income taxes	Completed write-off of large NPLs	Reversal of DTA(FY3/09) : JPY 305.2 bn
		Change	Response
New risk factors	Aircraft leasing	Rapid decrease in passenger aircraft demand	High liquidity of aircraft portfolio Sufficient liquidity
	Natural resources	Low oil prices	Cautious approach to upstream and services
	Foreign currency funding	Increase in funding cost	Fully cover loan balance with deposits and mid-long term funding Diversified funding source

Aircraft leasing

Highly liquid portfolio



Average age of aircraft^{*3}

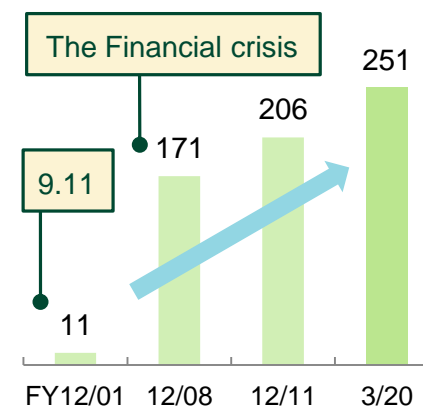
BOC Aviation	Air Lease	SMBCAC	Avolon	ACG	Aercap	Aircastle
3.1	3.5	4.2	5.0	5.2	6.1	9.9

Steady growth following recent crisis

Top class credit team
in industry

Experience of
management team^{*4}
160+ years

Number of Aircraft



Strong liquidity

	S&P	
A-	SMBCAC	BOC Aviation
BBB+	—	
BBB	Aercap	Air Lease
BBB-	Aircastle	Avolon ACG

Credit
availability

USD 6 bn

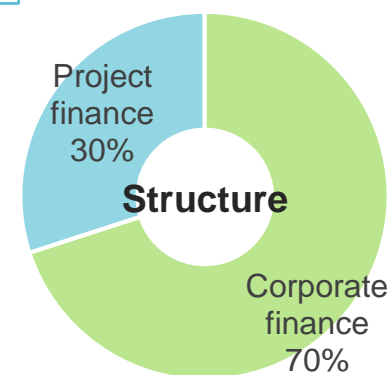
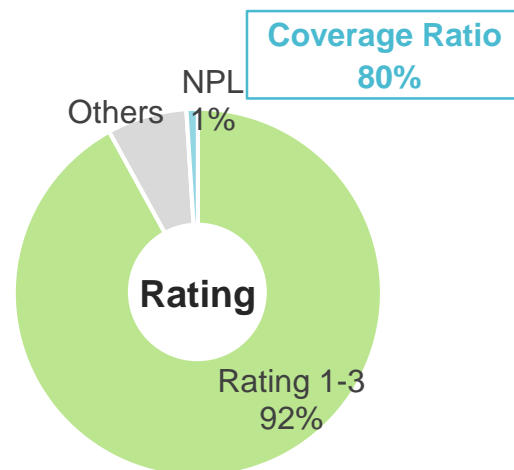
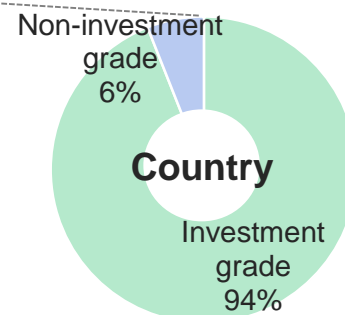
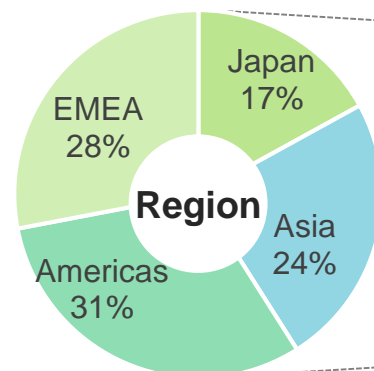
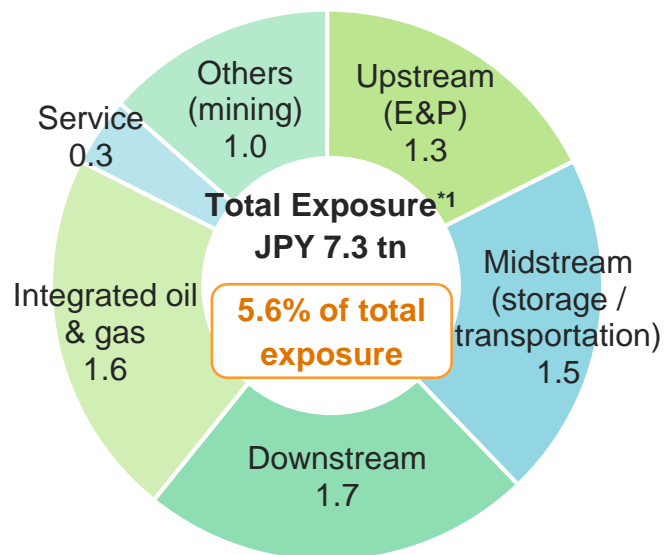
- Other than SMBC group : USD 2.5 bn
- Repayment within 1 year : USD 0.3 bn

*1 Include Pre-delivery payment *2 Appraised by Ascend, Avitas, and IBA

*3 SMBCAC as of Mar.20 and others as of Dec.19 *4 Combined experience of five management officers

Natural resources

5.6% of total exposure. Adopted cautious approach to non-Japanese upstream and service transactions.



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

(ratio to non-Japanese exposure to natural resources)

As of Mar.20

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

Agenda

Expected Impact of COVID-19

- Our scenario
 - COVID-19 impact on earnings
 - Credit cost
 - Aircraft leasing
 - Natural resources
-

Results


- Key credit messages
 - Financial results
 - Balance sheet and loan balance
 - Loans
 - Asset quality
-

Funding & Capital

- Foreign currency assets and funding
- Foreign currency issuance and redemptions
- TLAC requirements
- Credit ratings of selected G-SIBs
- Capital strategy

Key credit messages

(Consolidated, unless otherwise indicated, FY3/20)

Strong and diversified earnings capability	USD 6.5 bn SMFG's profit attributable to owners of parent*1	Breakdown of consolidated net business profit by business unit 
Sound loan portfolio	0.68% SMFG NPL ratio	0.46% SMBC NPL ratio (non-consolidated)
Robust liquidity	60.1% Loan to deposit ratio	125.6% LCR (average Jan. –Mar. 20)
Sound capital position	15.55% CET1 ratio (Fully-loaded basis)	18.75% Total capital ratio
High credit ratings	A1 / A1 SMBC/SMFG Moody's rating	A / A- SMBC/SMFG S&P rating (As of May 31, 2020)

*1 Converted into USD at period-end exchange rate

FY3/2020 financial results

	(JPY bn)	FY3/20	YoY	vs Nov. target
1	Consolidated gross profit	2,768.6	(77.6)	
2	G&A expenses	1,739.6	+24.6	
	Overhead ratio	62.8%	+2.5%	
3	Equity in gains (losses) of affiliates	56.1	(5.1)	
4	Consolidated net business profit	1,085.0	(107.2)	(50.0)
5	Total credit cost	170.6	+60.4	(29.4)
6	Gains (losses) on stocks	80.5	(35.9)	
7	Other income (expenses)	(62.8)	+0.2	
8	Ordinary profit	932.1	(203.2)	(67.9)
9	Extraordinary gains (losses)	(43.4)	(31.7)	
10	Income taxes	167.7	(163.7)	
11	Non-controlling interests	17.1	(48.4)	
12	Profit attributable to owners of parent	703.9	(22.8)	+3.9
13	ROE	7.6%	(0.6)%	

Consolidated gross profit: decreased YoY due to the impact of group reorganization and COVID-19 despite an increase in gains on sales of bonds with the decline of overseas interest rates.

G&A expenses: increased YoY due to continued overseas expenditures including regulatory compliance costs.

Total credit cost: increased YoY due to the absence of reversals from large borrowers recorded last year and provisions for COVID-19.

Gains on stocks: posted gains on sales of strategic shareholdings (JPY 101 bn, YoY JPY +9 bn) and impairment loss of listed stocks due to stock price decline.

Extraordinary losses: recorded impairment loss of goodwill related to PRESTIA business at SMBC Trust (JPY (40) bn).

Income taxes: decreased mainly due to lower pre-tax income and the absence of tax costs at SMCC by becoming a wholly owned subsidiary of SMFG recorded last year.

Would have been almost flat without the impact of group reorganization and COVID-19

Impact of group reorganization*1 (JPY bn)

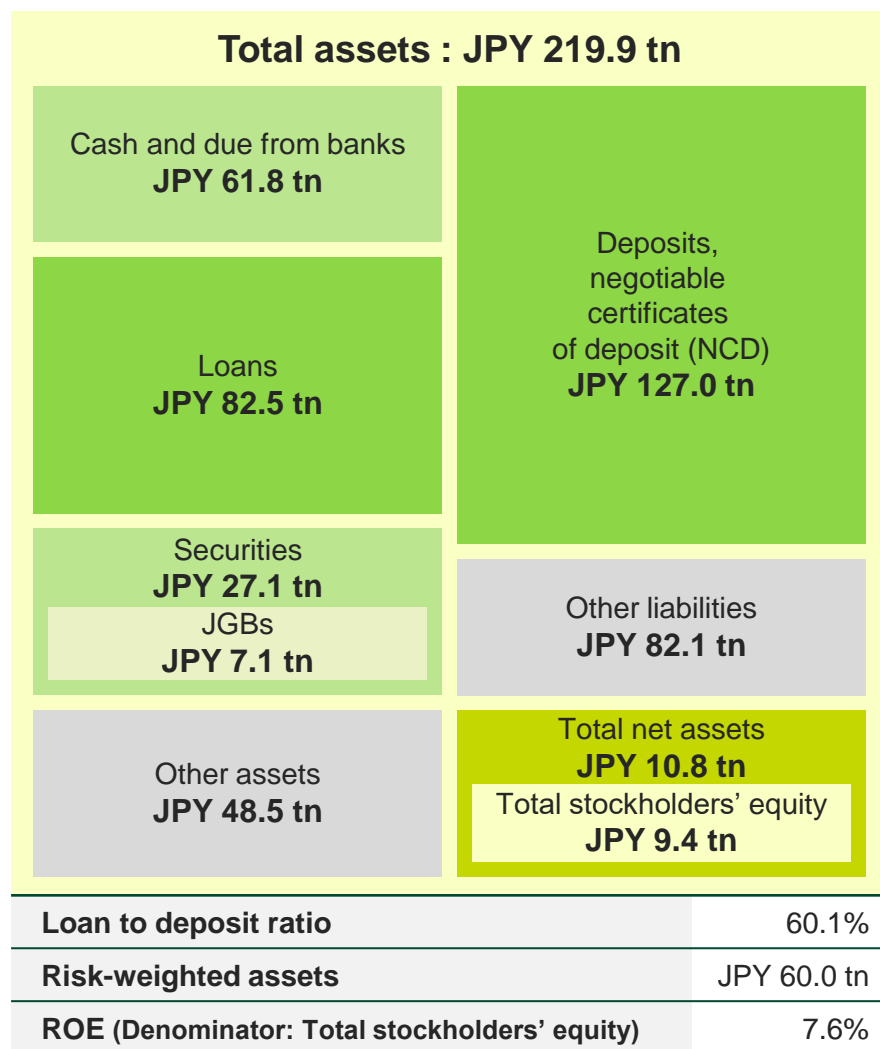
Consolidated gross profit	(70)	Consolidated net business profit	(61)
G&A expenses	(16)	Non-controlling interests	+7
Equity in gains (losses) of affiliates	(7)	Profit attributable to owners of parent	+31

*1 YoY impact from the deconsolidation of the regional banks and SMFL (now an equity method affiliate), the consolidation of BTPN, SMCC becoming a wholly-owned subsidiary, the merger of SMAM and Daiwa SB Investments and the deconsolidation of SMM Auto Finance, Inc.

Balance sheet and loan balance

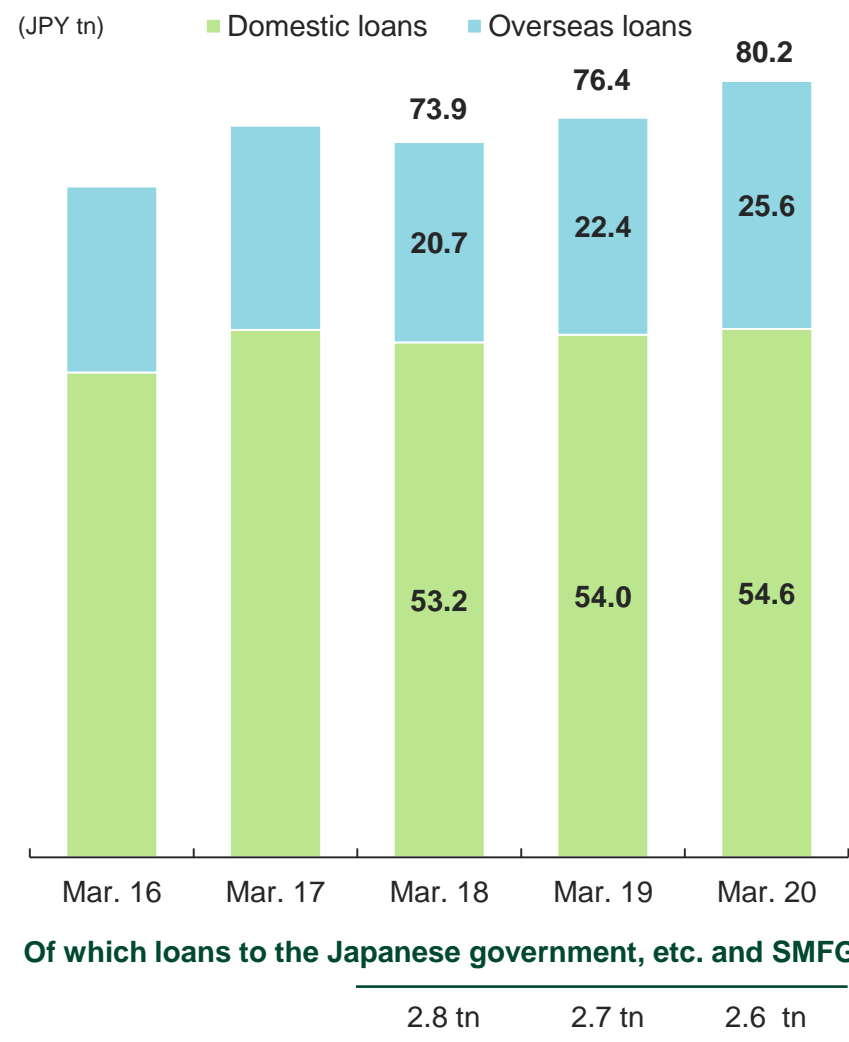
Balance sheet (as of Mar. 20)

(Consolidated)



Loan balance

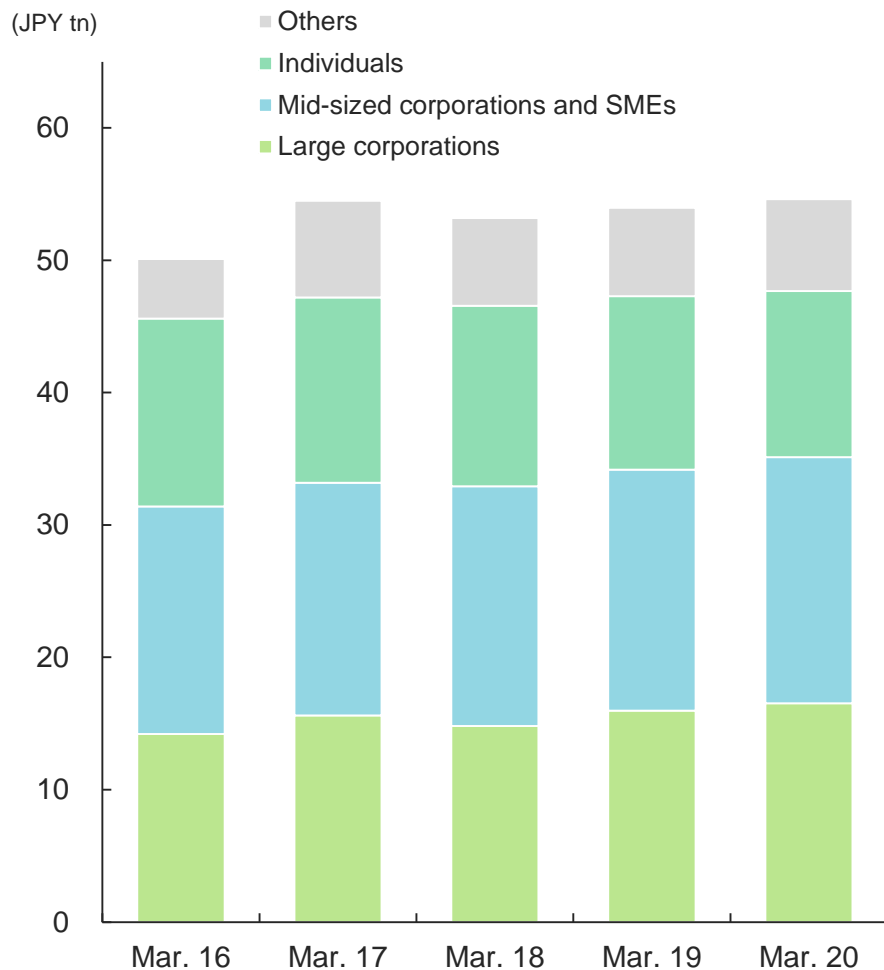
(Non-consolidated)



Domestic loans*1

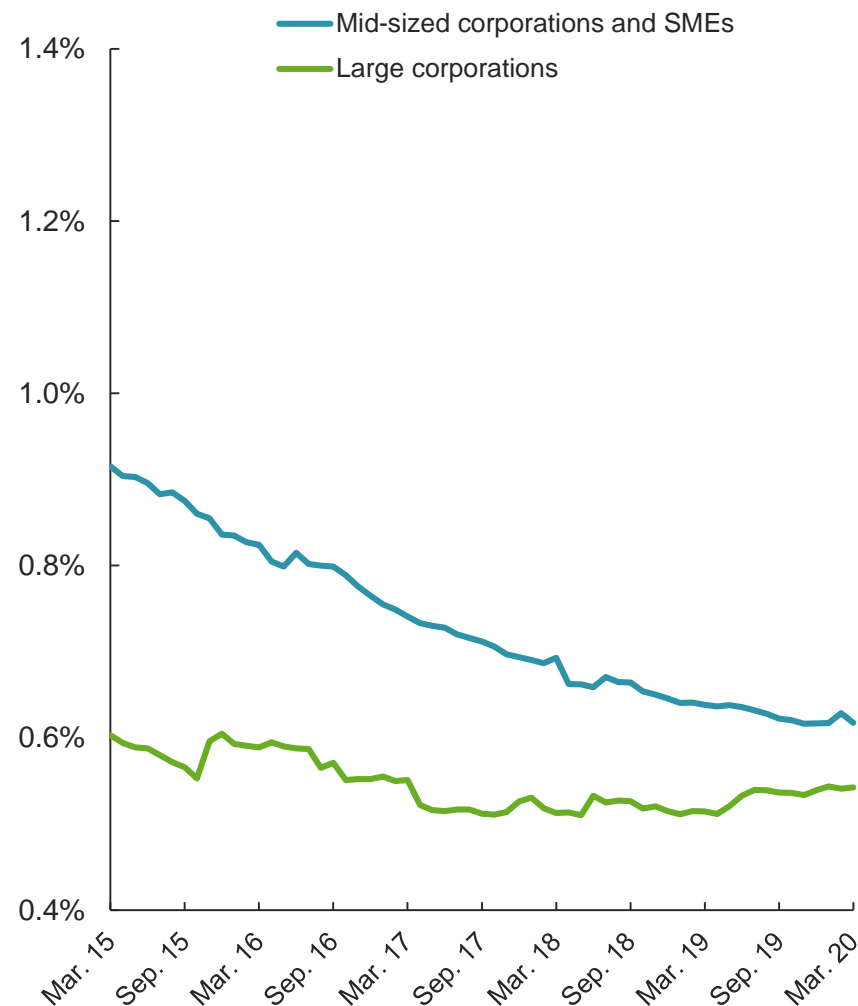
Balance

(Non-consolidated)



Spread*2

(Non-consolidated)

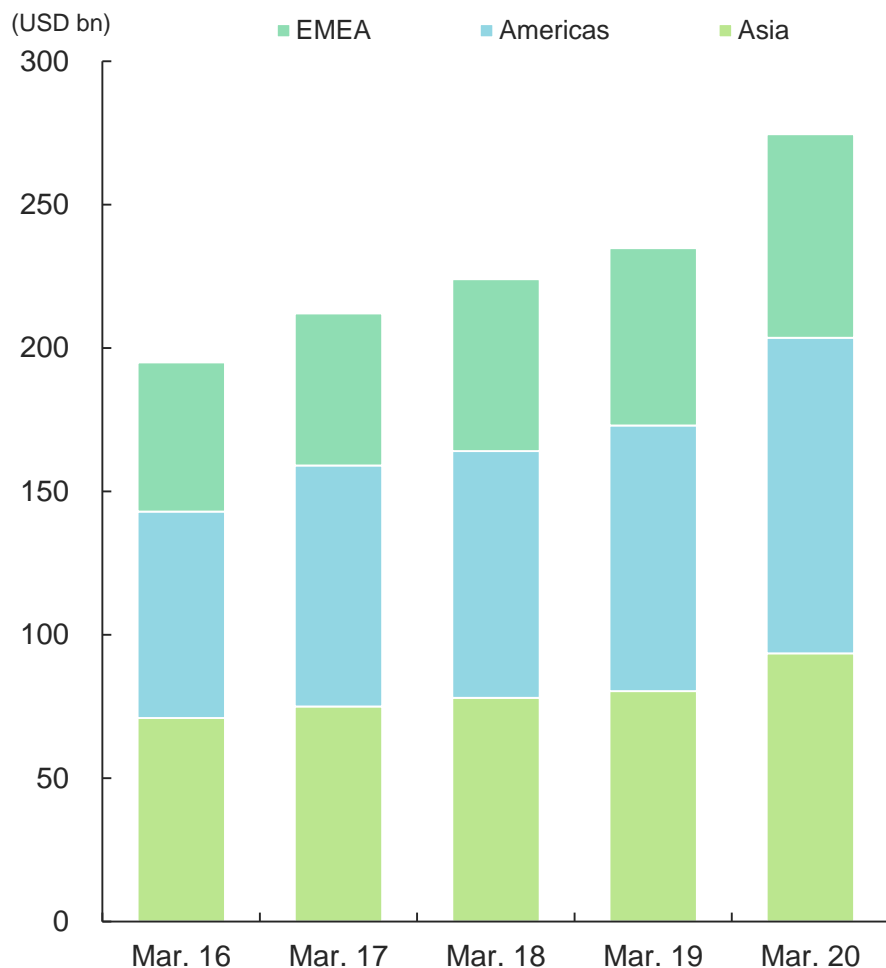


*1 Managerial accounting basis

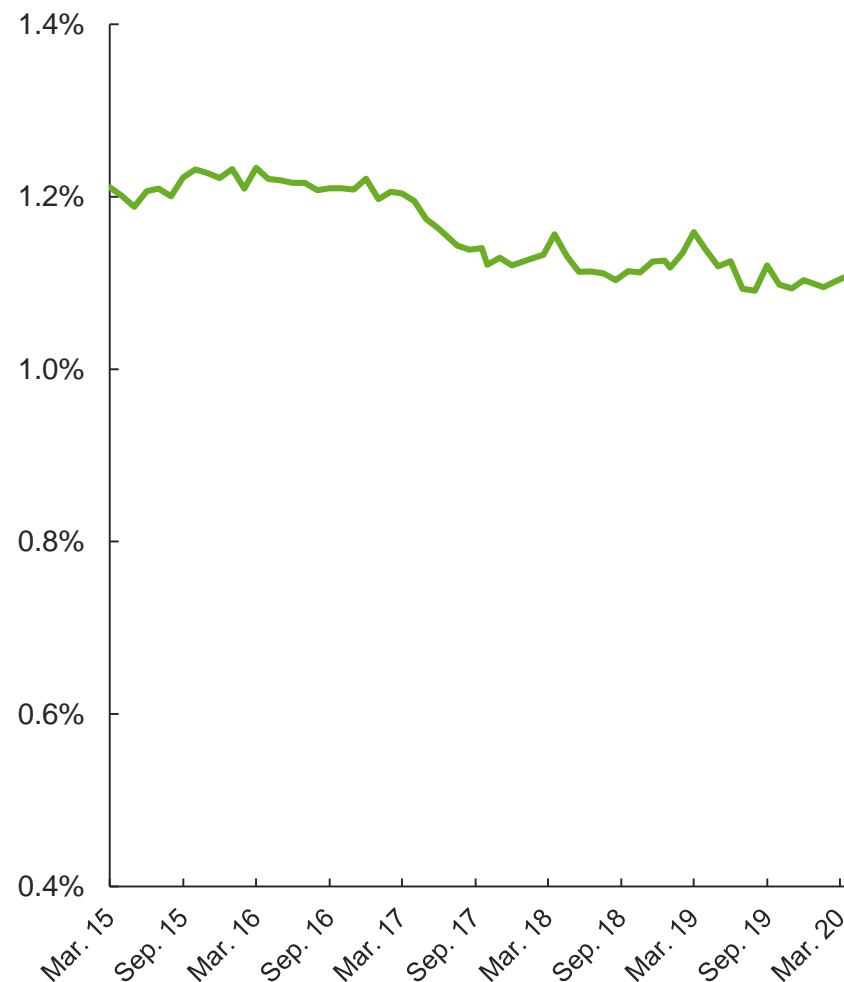
*2 Monthly average loan spread of existing loans, excludes loans to the Japanese government

Overseas loans*1

Balance



Spread*2

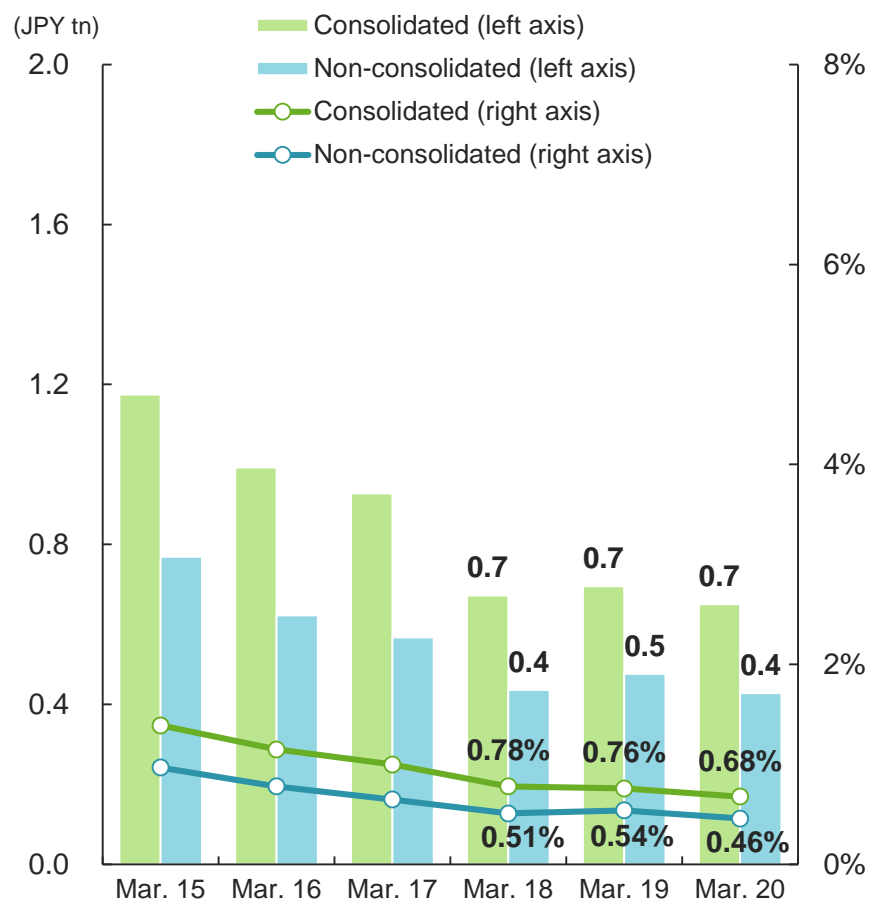


*1 Includes trade bills. Managerial accounting basis, translated into USD at respective period-end exchange rates.
Sum of SMBC and Major local subsidiaries

*2 Managerial accounting basis. Monthly average loan spread of existing loans

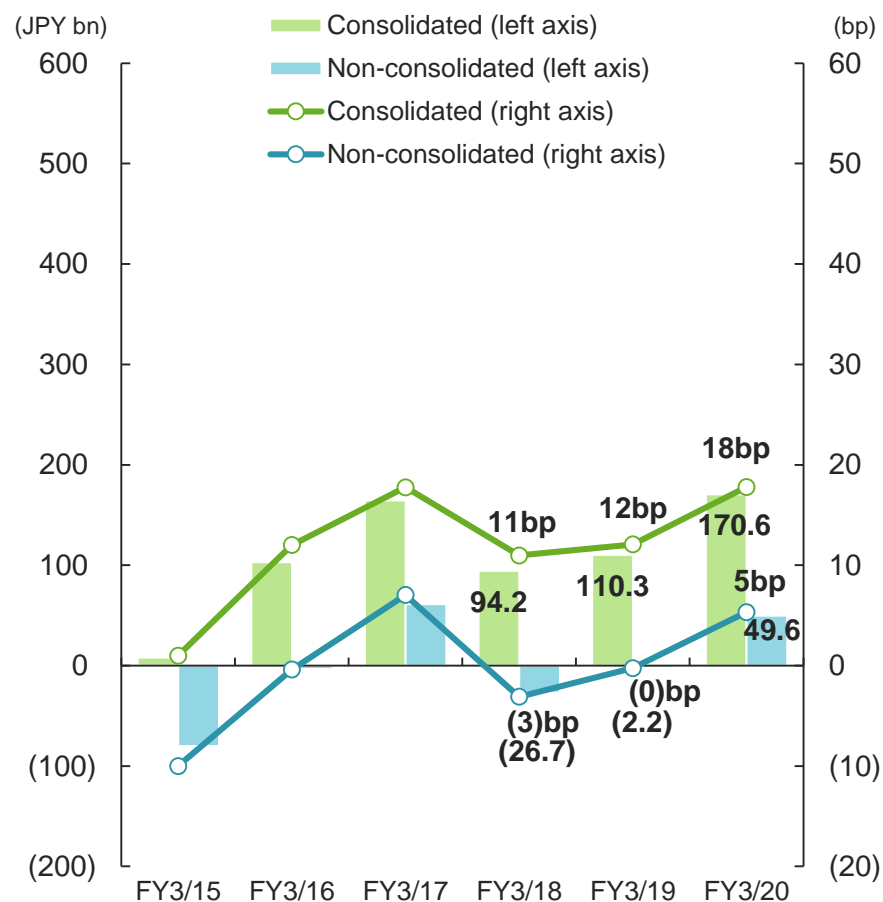
Asset quality – solid loan portfolio

NPLs and NPL ratio*1



Coverage ratio*3	Consolidated	74.73%	71.74%
	Non-consolidated	87.86%	87.00%

Total credit cost and total credit cost ratio*2



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

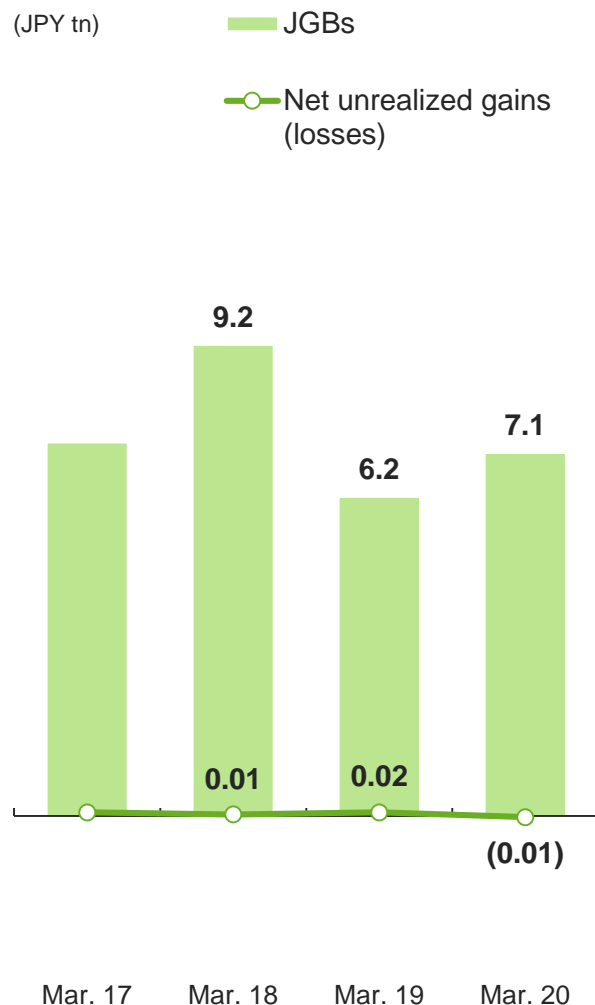
*2 Total credit cost ratio = Total credit cost / Total claims

*3 Ratio of the collateral, guarantees and specific and general reserves to total NPLs

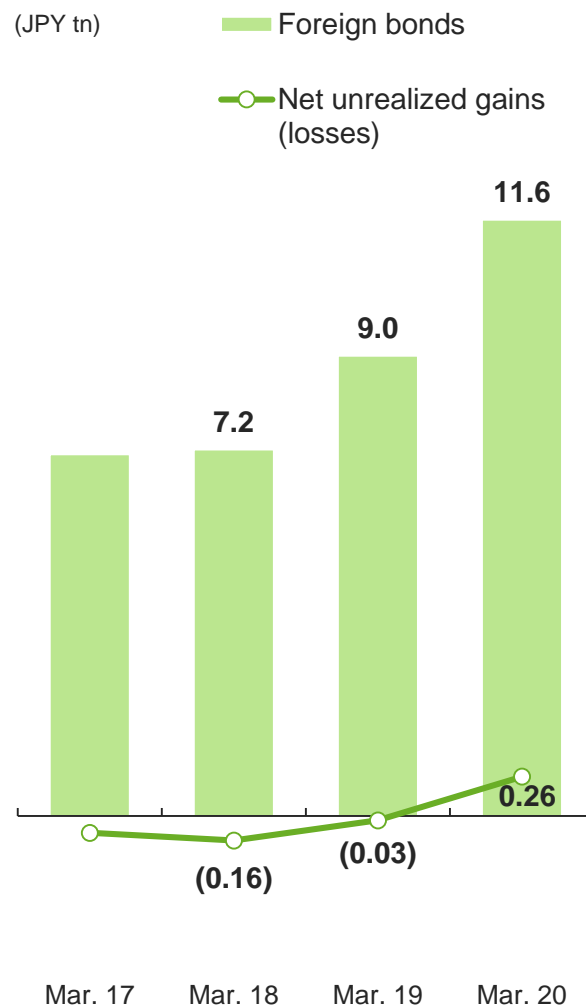
Asset quality – securities portfolio*1

(Consolidated)

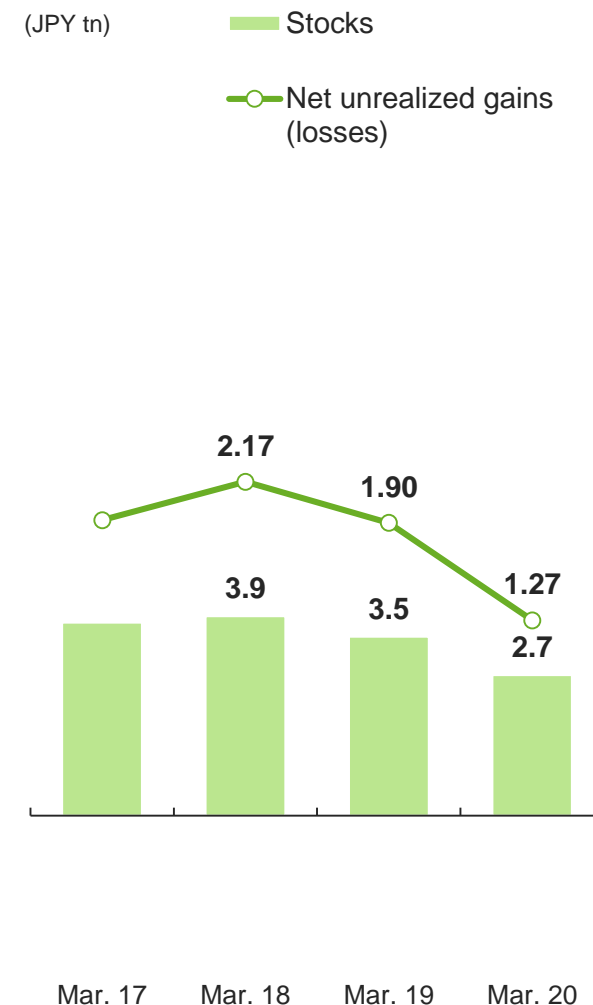
JGBs



Foreign bonds



Stocks



*1 Securities classified as other securities . Includes negotiable certificates of deposit classified as “Cash and due from banks,” and beneficiary claims on loan trust classified as “Monetary claims bought,” in addition to “Securities” stated in the consolidated balance sheets

Agenda

Expected Impact of COVID-19

- Our scenario
 - COVID-19 impact on earnings
 - Credit cost
 - Aircraft leasing
 - Natural resources
-

Results

- Key credit messages
 - Financial results
 - Balance sheet and loan balance
 - Loans
 - Asset quality
-

Funding & Capital

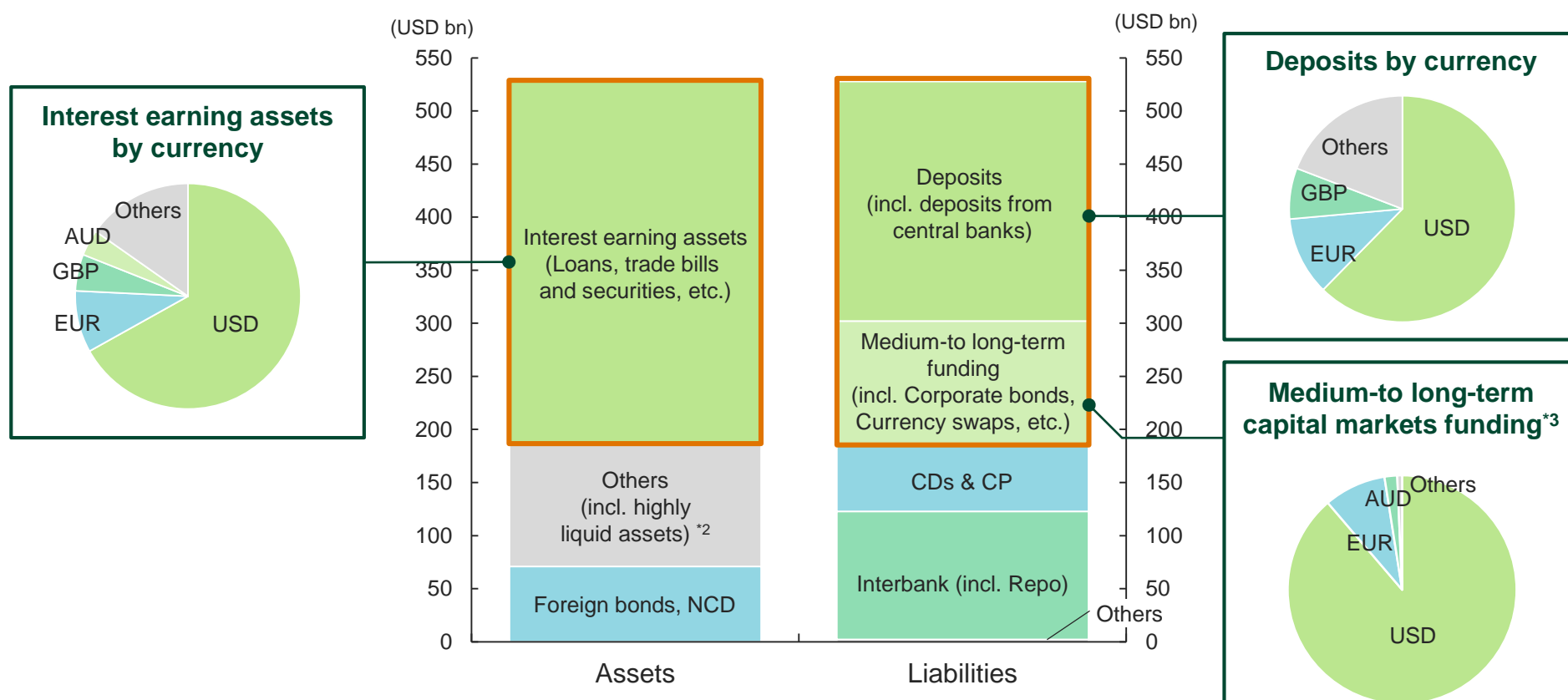
- Foreign currency assets and funding
- Foreign currency issuance and redemptions
- TLAC requirements
- Credit ratings of selected G-SIBs
- Capital strategy

Foreign currency assets and funding

Non-JPY interest earning assets are fully funded by non-JPY customer deposits and medium- to long-term funding (corporate bonds, currency swaps, etc.)

Customer deposits cover approximately 70% of interest earning assets

Non-JPY balance sheet items*¹ (as of Mar. 20)



*¹ Managerial accounting basis. Sum of SMBC and Major local subsidiaries *² Deposit placed with central banks, etc.

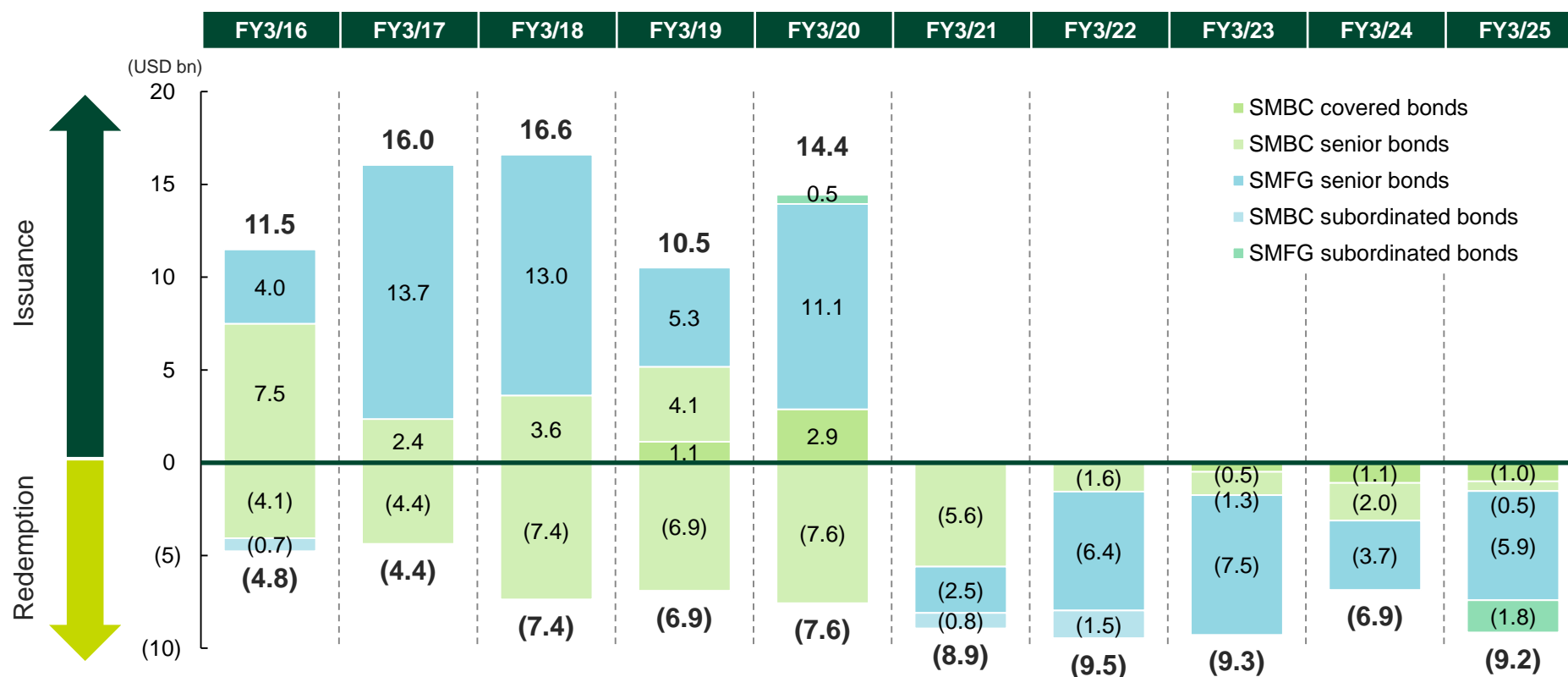
*³ Excludes JPY funding, certificate of deposits and transferable deposits. Among all bonds priced by Mar. 20, only includes issuance with original maturity of two years or more and tap its issue as of Mar. 20. Translated into USD at the exchange rates as of Mar. 20.

Foreign currency issuances and redemptions

SMFG is the issuing entity for TLAC senior and Tier 2 subordinated bonds

SMBC issues covered bonds and shorter term senior bonds based on its funding needs

Non-JPY issuances and redemptions*1



*1 The sum of SMFG and SMBC, each on a non-consolidated basis. Excludes JPY funding, certificate of deposits and transferable deposits. All redemptions were, or are expected, at maturity other than for callable bonds, which were, or are expected to be, redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Among all bonds priced by Mar. 20, only includes issuance with original maturity of two years or more and its tap issue as of Mar. 20. Translated into USD at the exchange rate as of the end of each period for FY3/16-FY3/20, and as of Mar. 20 for FY3/21-FY3/25

TLAC requirements

Japanese TLAC standards, which are applied to Japanese G-SIBs, started in Mar.19

The TLAC ratio as of Mar. 20 meets the required level

TLAC and capital buffer requirements

	2019 - 2021	After 2022
Minimum external TLAC requirements (RWA basis)	16%	18%
+) capital buffers* ¹	+3.5%	+3.5%
Effective required level of minimum external TLAC (RWA basis)	19.5%	21.5%
Minimum external TLAC requirements (LE basis)	6%	6.75%

TLAC ratio (transitional basis)

	(JPY bn)	Mar. 20
External TLAC (before deduction of capital buffers)	A	18,162.0
Risk-weighted assets (RWA)	B	61,599.1
TLAC ratio (RWA basis) (A/B)	C	29.48%
Capital buffers (including CCyB)	D	(3.52%)
Ref: TLAC ratio of RWA (after deduction basis) (C-D)	E	25.96%
Leverage exposure (LE)	F	237,488.7
TLAC ratio (LE basis) (A/F)	G	7.64%

* 1 Excludes countercyclical buffer (CCyB) for RWA requirements. As for the G-SIB buffer, SMFG was allocated to bucket 1 according to the list published by the FSB in Nov. 2019

Credit ratings of selected G-SIBs

OpCo senior unsecured notes / Excluded liabilities TLAC eligible senior unsecured notes Basel III Tier 2 notes

●—● Notch Difference (between OpCo senior and TLAC senior notes) (As of May 31, 2020)

Moody's

	SMFG	Mizuho ^{*1}	MUFG	BAC	Citi	JPM	Barclays	HSBC	DB ^{*2}	BNP ^{*2}	CS	UBS ^{*3}
Aa2				●	●	●		●		●		●
Aa3	0	0	0	3	●	3		●		●		●
A1	●	●	●	3	3	3	●	2		●	●	3
A2				●	3	●	●	●		4	●	3
A3					●		4		●		4	●
Baa1							●		3	●	●	
Baa2											●	
Baa3									●			
Ba1												
Ba2												

S&P

	SMFG	Mizuho	MUFG ^{*1}	BAC	Citi	JPM	Barclays	HSBC	DB ^{*2}	BNP ^{*2}	CS	UBS ^{*3}
AA-				●	●	●		●		●	●	●
A+				2	3	2	●	2		2	3	2
A	1	1	1	2	3	2	3	2		2	3	2
A-	1	1	1	2	3	2	3	2		2	3	2
BBB+					●		●	●	●		●	
BBB							●		2			
BBB-									●			
BB+												

*1 The ratings for Mizuho Moody's Tier 2 and MUFG S&P Tier 2 are assumed from the stand-alone and rating methodology.

*2 For DB and BNP, OpCo senior notes and TLAC eligible senior notes mean preferred senior notes and Non-preferred senior notes, respectively

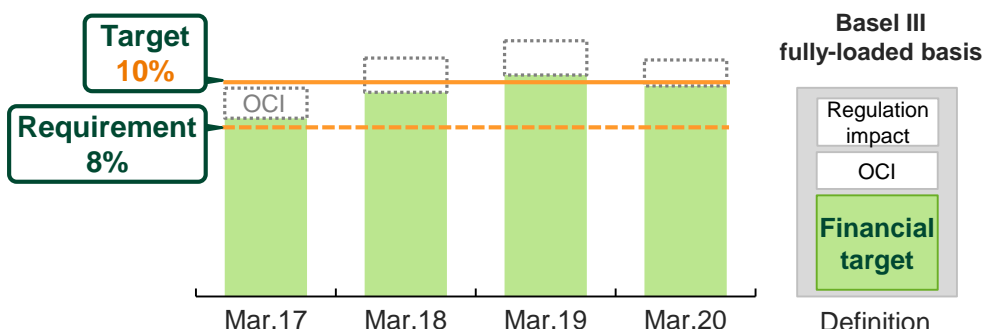
*2 Backed senior unsecured rating of UBS Group Funding (Switzerland) guaranteed by UBS Group AG for TLAC eligible senior notes

Capital strategy

Reached CET1 ratio (Post-Basel III exc. OCI) of c.10%. CET1 ratio on Basel III fully-loaded basis was 15.5%
Secure buckets of 1.5% AT1 and 2.0% Tier 2 capital in the medium to long term

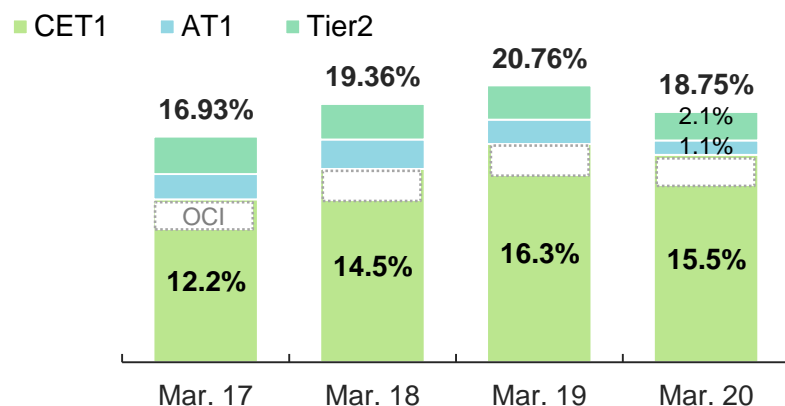
CET1 ratio

Post-Basel III excl. OCI (financial target)

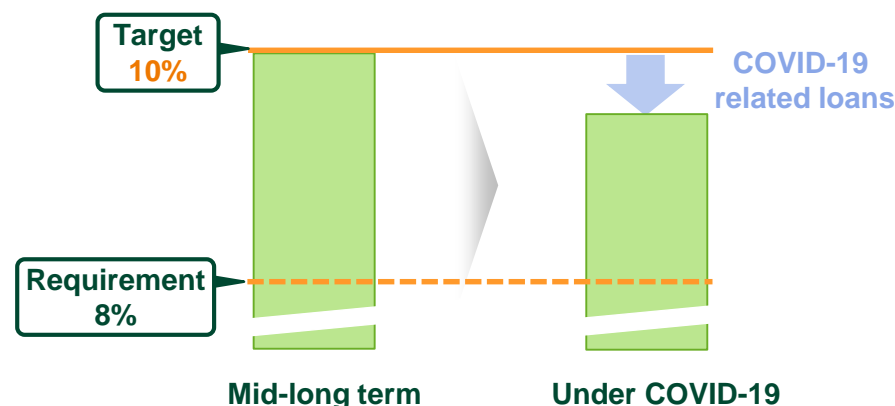


Capital ratio

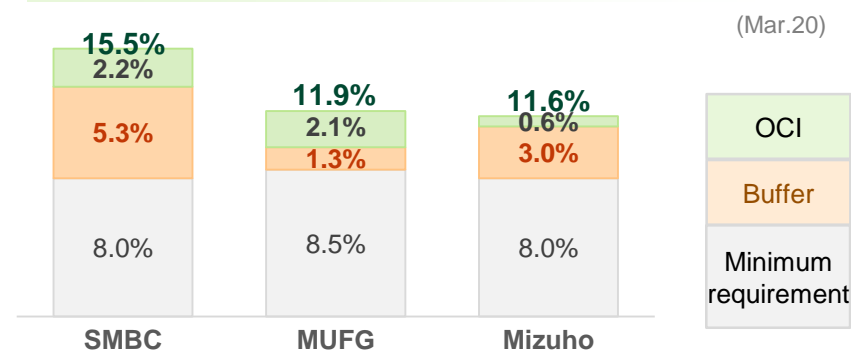
Basel III fully-loaded basis



Capital Management (post-Basel III exc. OCI)



Peer comparison (Basel III fully-loaded basis)



Subordinated bonds

Investment highlights

High credit quality

- Strong capital : High CET1 ratio
- Strong liquidity : Low loan to deposit ratio
- Strong credit : Low NPL ratio

High credit rating

- High credit rating of senior and subordinated bonds (Tier 2) due in part to the support framework

Scarcity value

- Offers investment diversification opportunities to investors

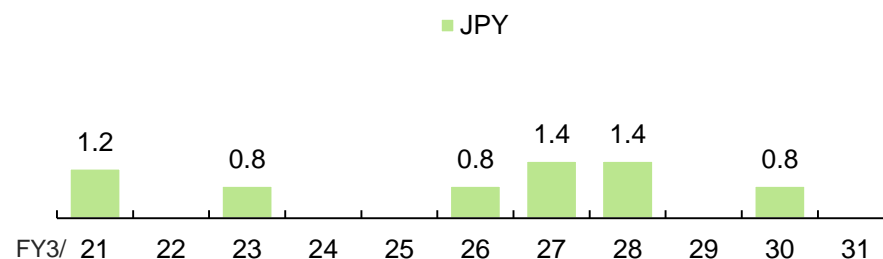
Recent issuances and maturity profile

Recent issuances (AT1/Tier 2)

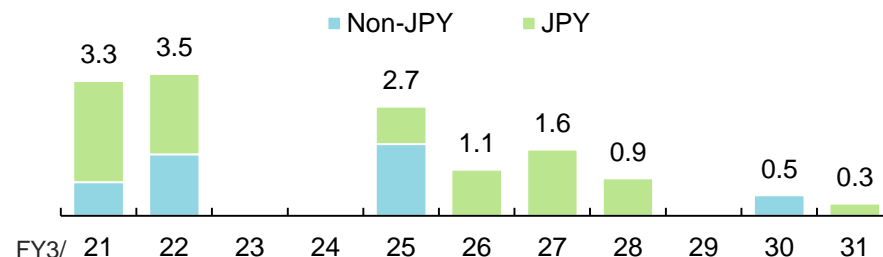
Security type	Issue date	Amount	Tenor	Coupon
Tier 2 (retail)	Mar. 16, 2018	JPY 100 bn	10y	0.585%
Tier 2 (USD)	Sep. 17, 2019	USD 500 mn	10y	3.202%
AT1	Jun. 21, 2019	JPY 85 bn	PerpNC10	1.07% ^{*1}

Maturity profile by debt class^{*2}

• AT1 (USD bn)



• Tier 2 (USD bn)



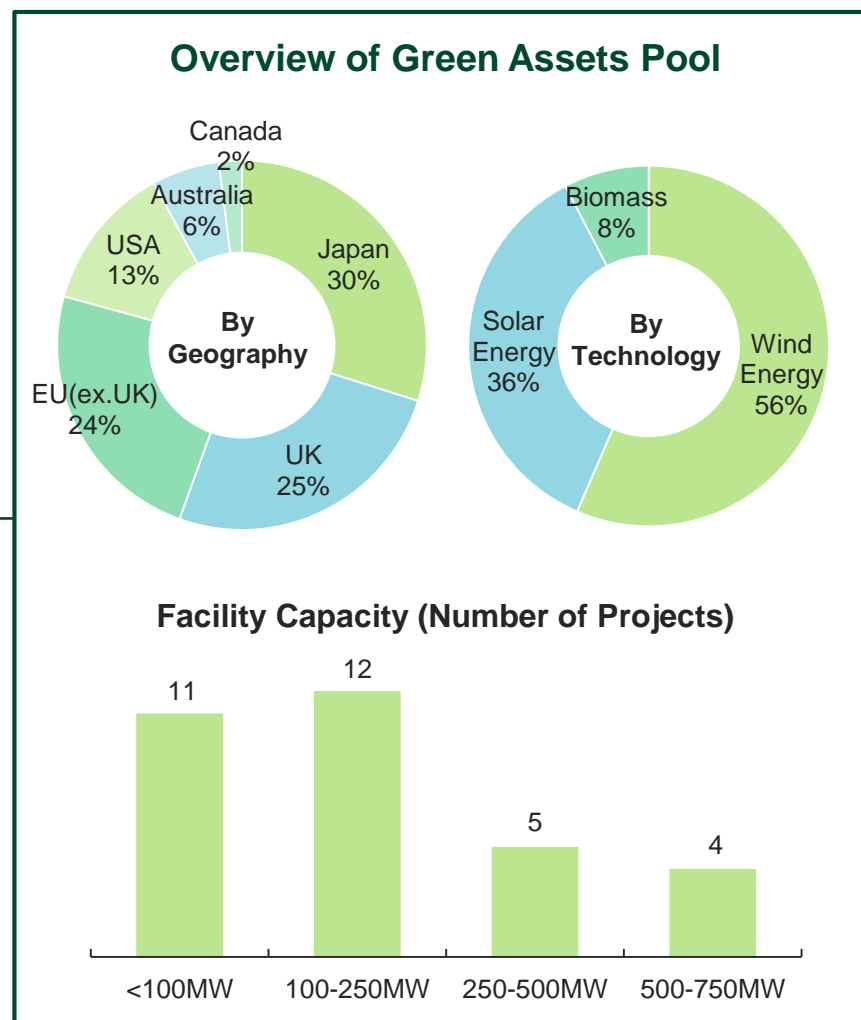
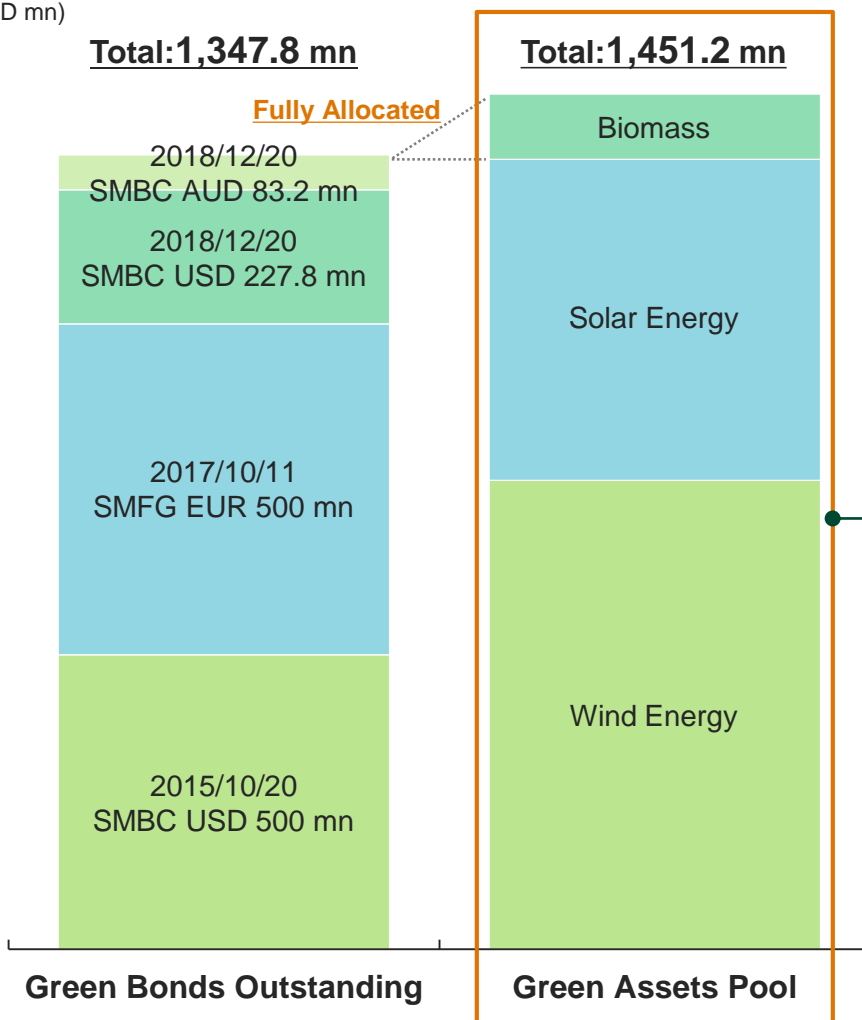
^{*1} Floating rate after the first call date

^{*2} AT1 Capital and Tier 2 Capital include previously issued Basel 2-eligible bonds. The sum of SMFG and SMBC, each on a non-consolidated basis. All redemptions were, or are expected at maturity other than for callable bonds, which were, or are expected to be redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Among all bonds priced by Mar. 20. Translated at the exchange rate as of Mar. 20

Overview of green bond issuances and green assets pool

Balance of outstanding green bond and green assets pool*1 (as of Mar. 19)

(USD mn)



*1 Translated into USD at the exchange rates as of Mar. 19

Green Bonds impact reporting

Impact reporting (as of Mar. 19)

Category	Sub Category	Country	Number of Projects	Capacity (MW)	Estimated CO ₂ emissions reduction (tCO ₂)	
						o/w SMBC Group financed
Renewable Energy	Wind energy	France, UK, Germany The Netherlands Belgium Canada, USA Australia	18	5,210MW	6,001,357 t-CO ₂	673,186 t-CO ₂
	Solar energy	Japan, France USA, Australia	13	1,467MW	1,355,652 t-CO ₂	258,249 t-CO ₂
	Biomass	UK, Japan	3	-	388,782 t-CO ₂	129,015 t-CO ₂
Total					7,745,792 t-CO ₂	1,060,451 t-CO ₂

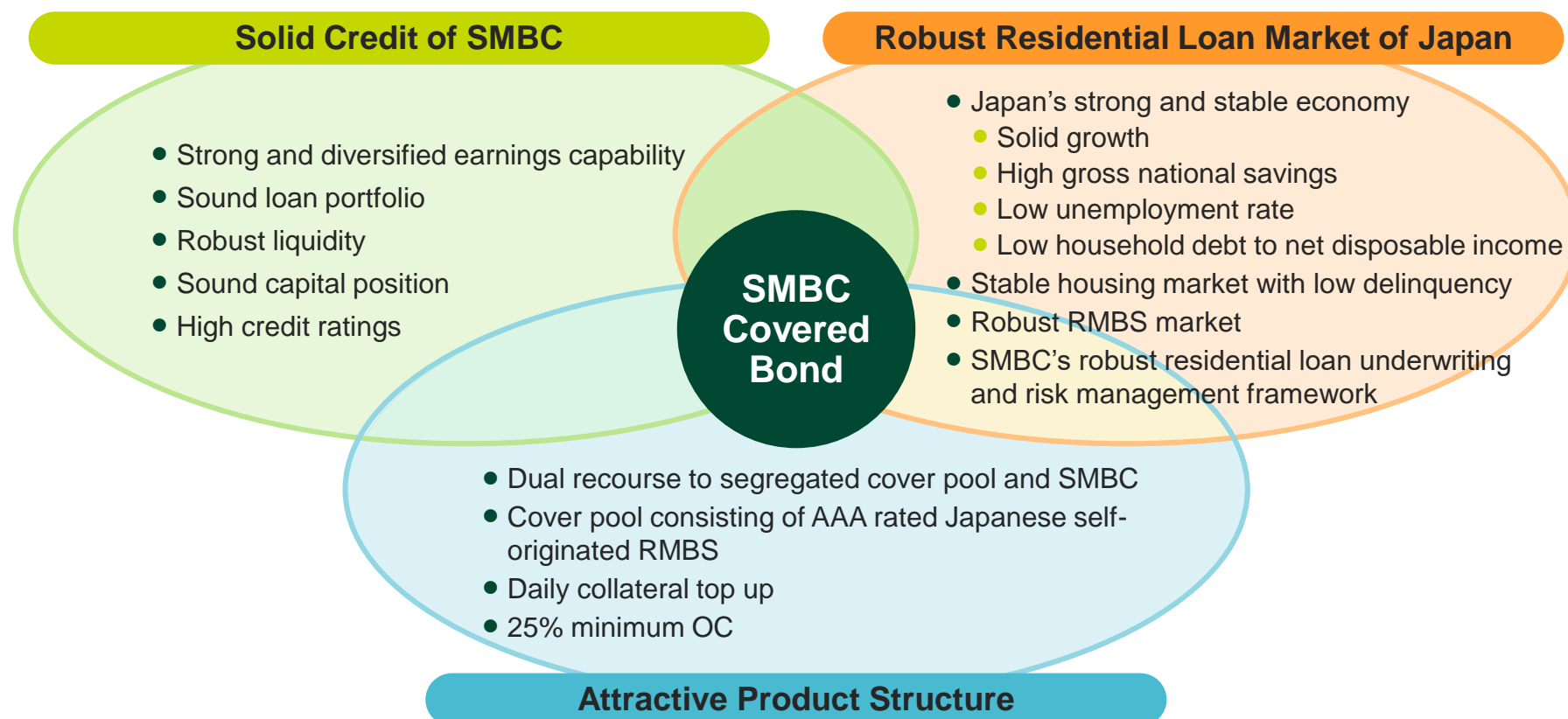
SMFG/SMBC Green Bonds Outstanding (as of Mar. 19)* ¹	USD 1,347.8 mn
CO ₂ Avoidance per USD 1 mn	786.8 t-CO ₂

*1 Translated into USD at the exchange rates as of Mar. 19

SMBC covered bond: Investment highlights

The SMBC Covered Bond Programme offers an opportunity to gain exposure to one of the highest quality asset classes in Japan with a top notch rating

Historically, Japanese banks have not been active in the secured market due to absence of dedicated covered bond legislation. Our contractual framework will satisfy key covered bond requirements for the investors and enable SMBC to gain access to broader capital markets and to further diversify its investor base

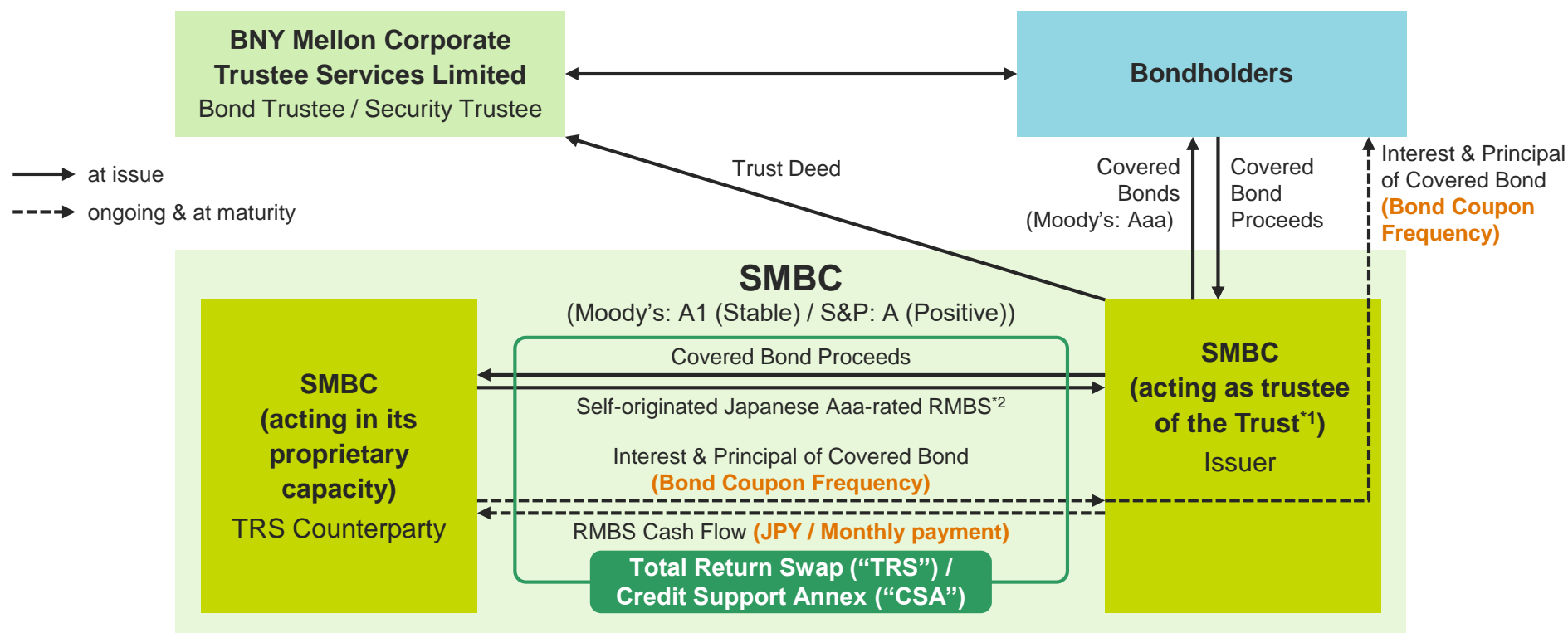


SMBC covered bond: Programme

Under the Trust Act of Japan Bondholders have dual recourse to SMBC's assets and the segregated cover pool assets

To protect Bondholders, the Programme puts Self-originated Japanese RMBS as collateral under the TRS. Segregation of assets is ensured in the case of SMBC's insolvency because enforceability of the TRS is protected under the Netting Act in Japan

Cover pool assets remain on the balance sheet of SMBC acting in its proprietary capacity



*1 SMBC, licensed by Japanese FSA as financial institutions which engage in trust business, acting as trustee on behalf of a specified money trust (tokutei kinsen shintaku)
No. 0010-377600-0001 (the "Trust")

*2 Cover pool assets may include senior tranches Aa-rated RMBS where higher haircut ratio of 20% is applied, JGB and cash



Appendix

SMFG / SMBC overview

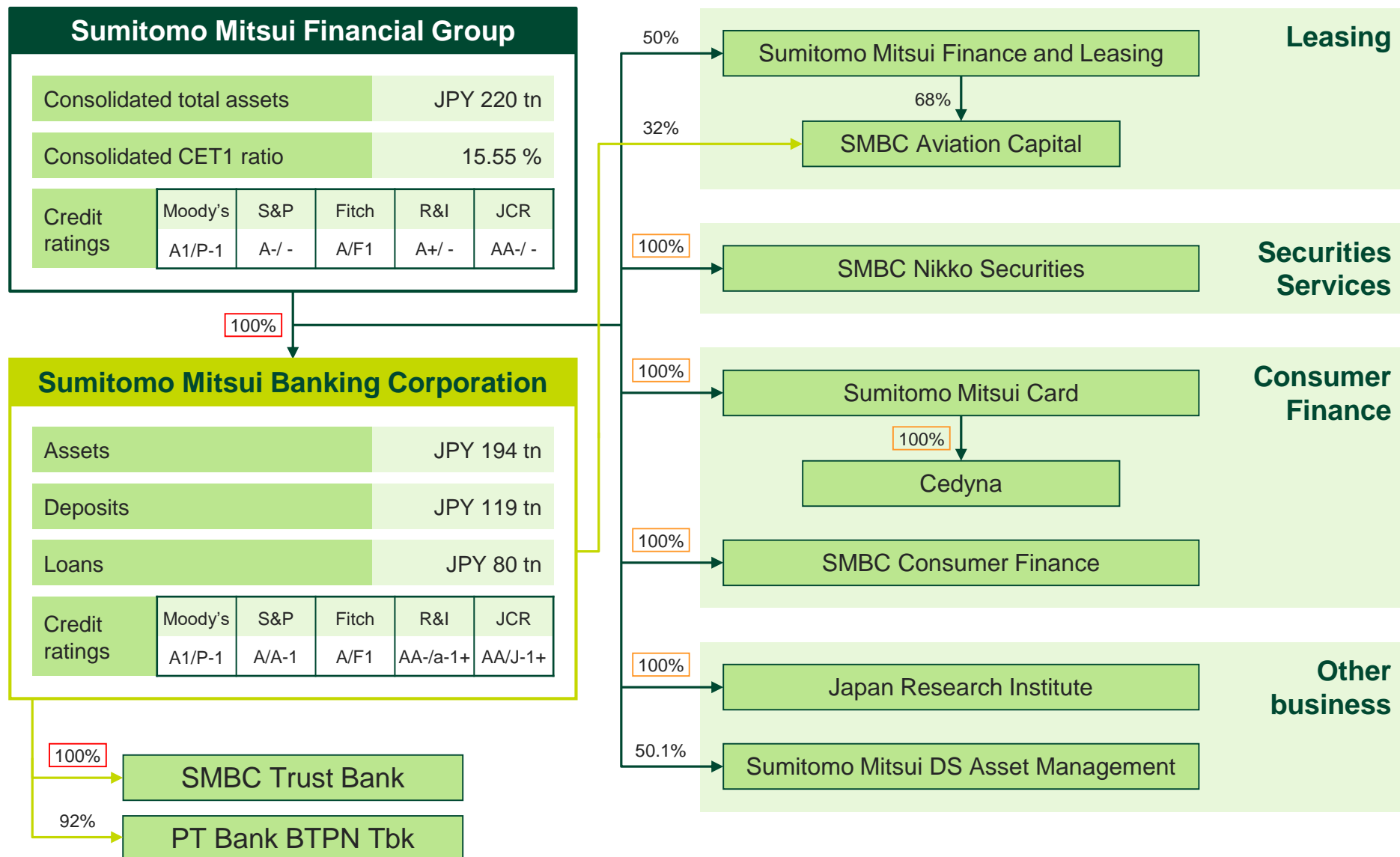
(FY3/20)		SMFG (Consolidated) ^{*1} Global banking group originated in Japan	SMBC (Non-consolidated) ^{*1} Core operating entity within SMFG franchise
Market Capitalization (TSE:8316, NYSE:SMFG)		JPY 4.3 tn / USD 40.6 bn (As of Jun. 12, 2020)	unlisted (wholly-owned by SMFG)
B/S	Assets	JPY 220 tn / USD 2,021 bn	JPY 194 tn / USD 1,783 bn
	Loans	JPY 83 tn / USD 758 bn	JPY 80 tn / USD 737 bn
	Deposits ^{*2}	JPY 127 tn / USD 1,168 bn	JPY 119 tn / USD 1,103 bn
	Loans/Deposits	65.0%	66.8%
P/L	Gross Profit	JPY 2,769 bn / USD 25.4 bn Consolidated gross profit	JPY 1,412 bn / USD 13.0 bn Gross banking profit
	Net Income	JPY 704 bn / USD 6.5 bn Profit attributable to owners of parent	JPY 317 bn / USD 2.9 bn Net income
CET1 ratio		15.55%	-
NPL ratio		0.68%	0.46%
Ratings (Moody's / S&P)		A1 / A- (As of May 31, 2020)	A1 / A (As of May 31, 2020)
Business Franchise		<ul style="list-style-type: none"> ● Holds top-tier companies in banking, leasing, securities services, consumer finance, and other businesses ● 137 overseas offices^{*3} (As of Mar. 31, 2020) 	<ul style="list-style-type: none"> ● 447 domestic branches ● 28 million retail accounts (As of Mar. 31, 2020)

^{*1} Converted into USD at March 2020 fiscal year-end exchange rate
Market capitalization converted to USD at the June 12, 2020 exchange rate

^{*2} Excludes negotiable certificates of deposits

^{*3} Excludes offices planned to be closed

Group structure*1



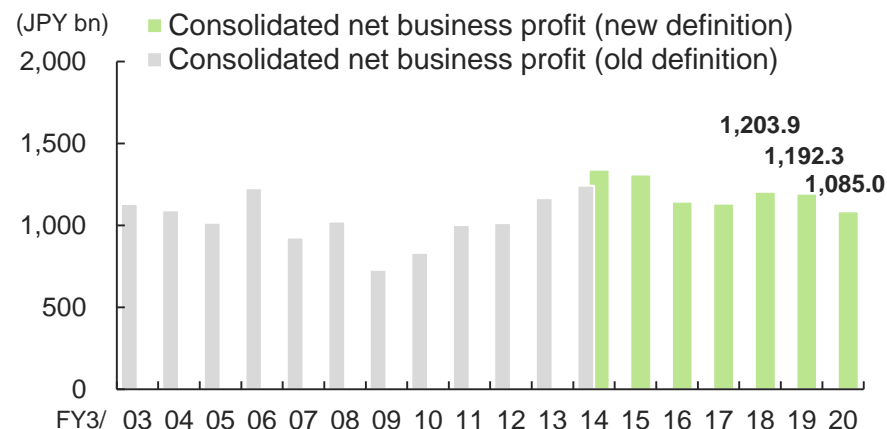
*1 As of Mar. 31, 2020 for figures, May 31, 2020 for ratings and investment ratios

Trend of major income components – Consolidated

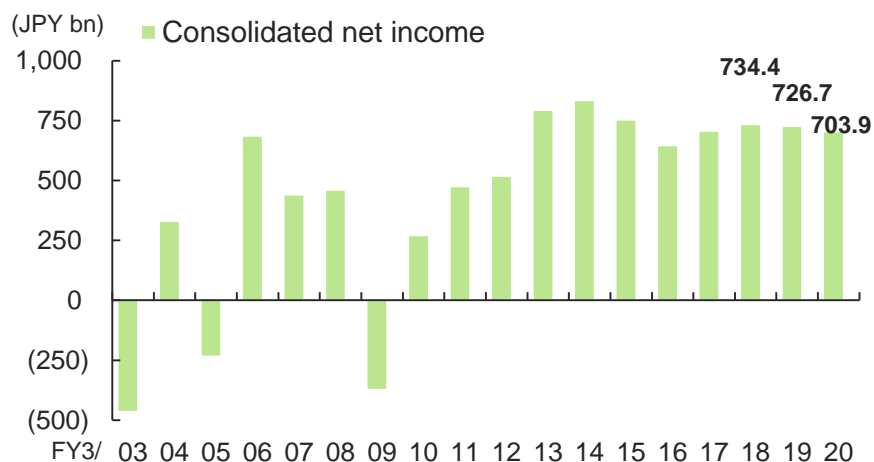
Consolidated gross profit



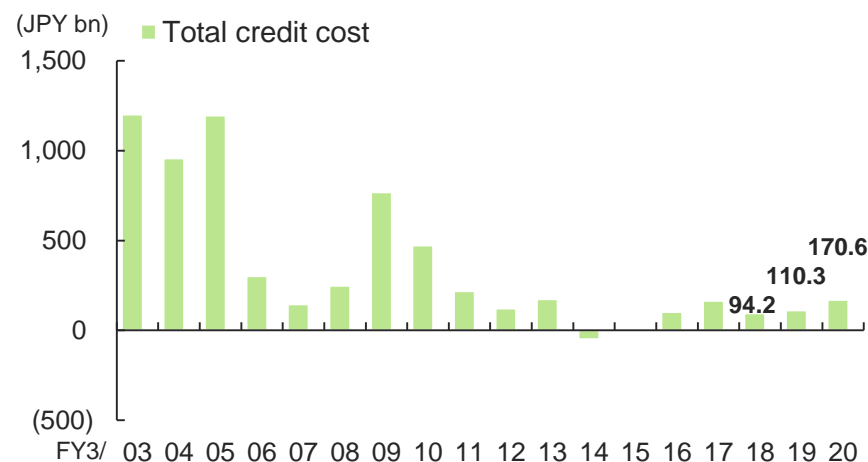
Consolidated net business profit*1



Net income / Profit attributable to owners of parent



Total credit cost

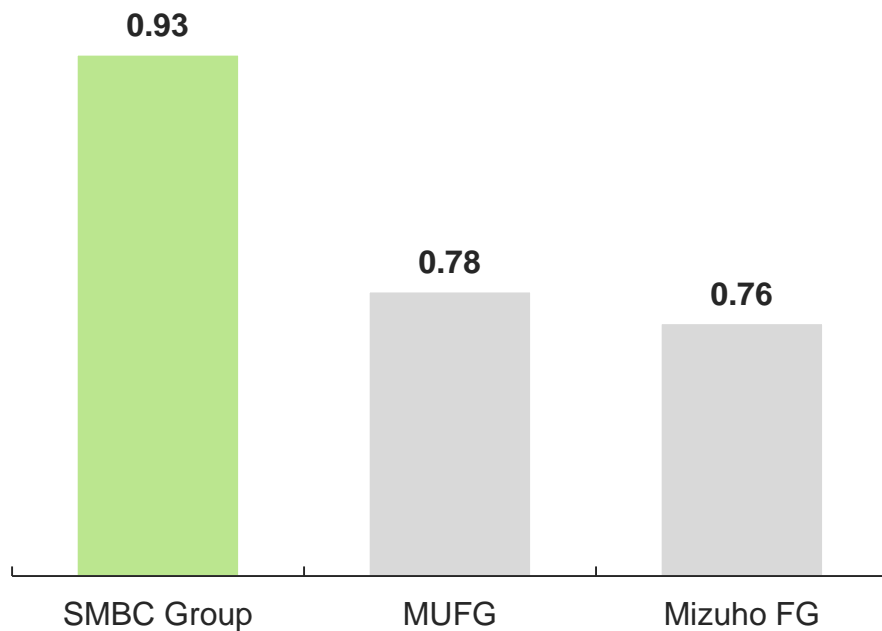


*1 We have changed the definition of "Consolidated net business profit" from the FY 3/15. The figure for FY 3/14 has been adjusted retrospectively

Sources of profitability

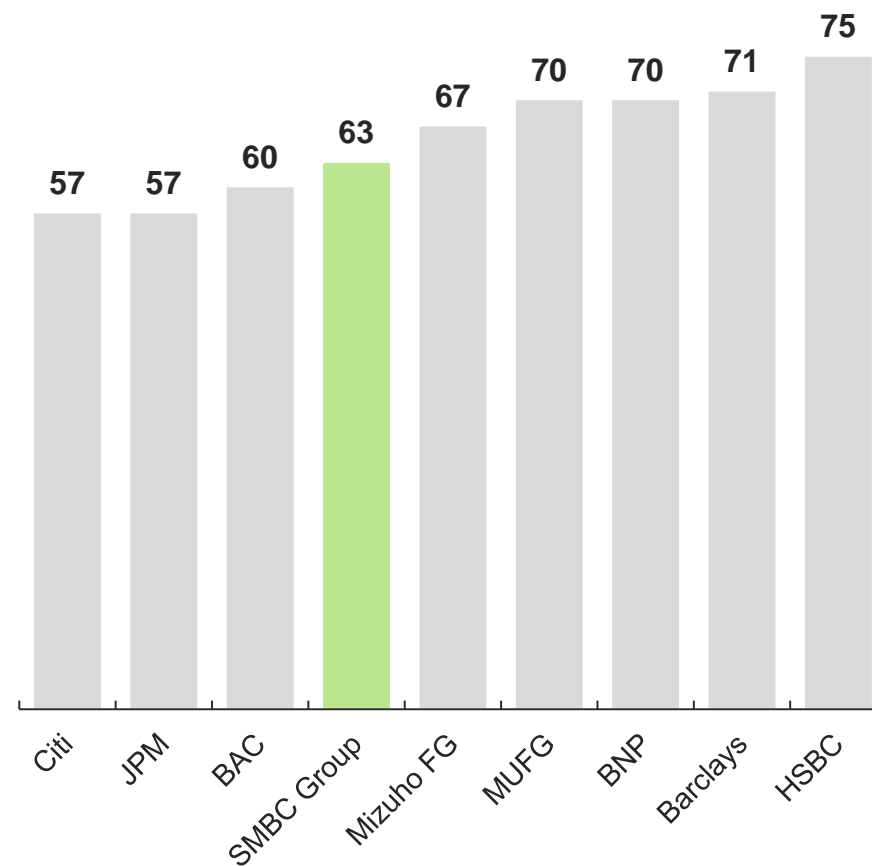
Domestic loan-to-deposit spread*¹

(%)



Overhead ratio*²

(%)



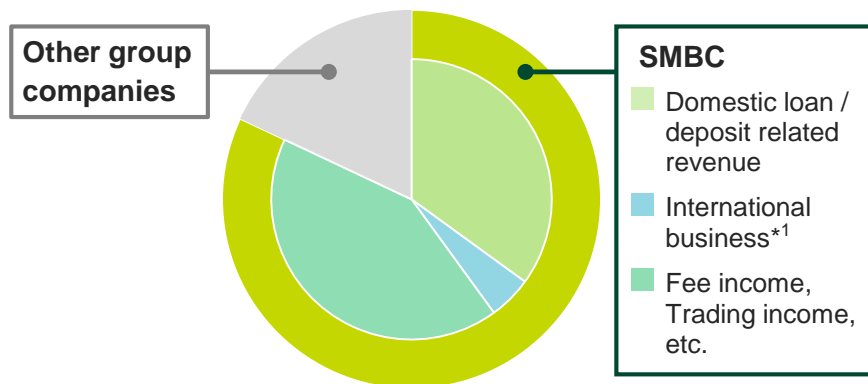
*¹ Based on each company's FY3/20 disclosure. The figures shown in the graph are non-consolidated figures of: SMBC for SMFG, MUFG Bank for MUFG and Mizuho Bank for Mizuho FG

*² Based on each company's disclosure. FY3/20 results for SMBC Group, MUFG, Mizuho and Jan-Dec.20 results for others

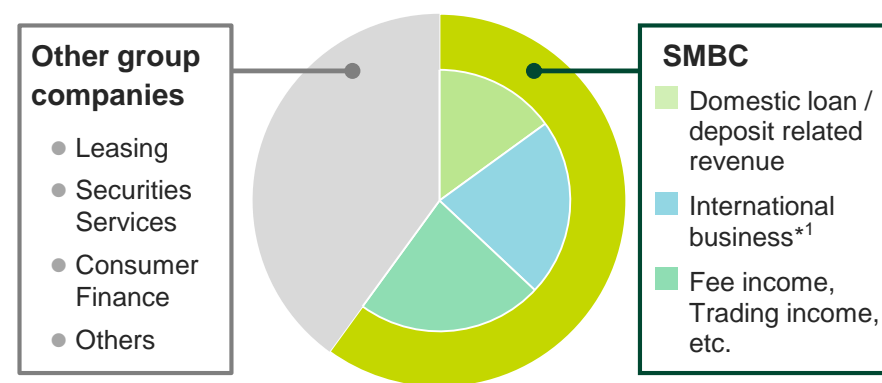
Diversified revenue sources

Breakdown of consolidated gross profit

FY3/03

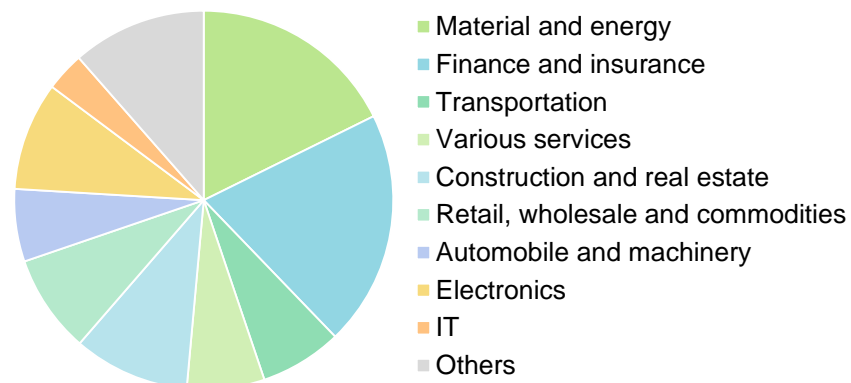


FY3/20

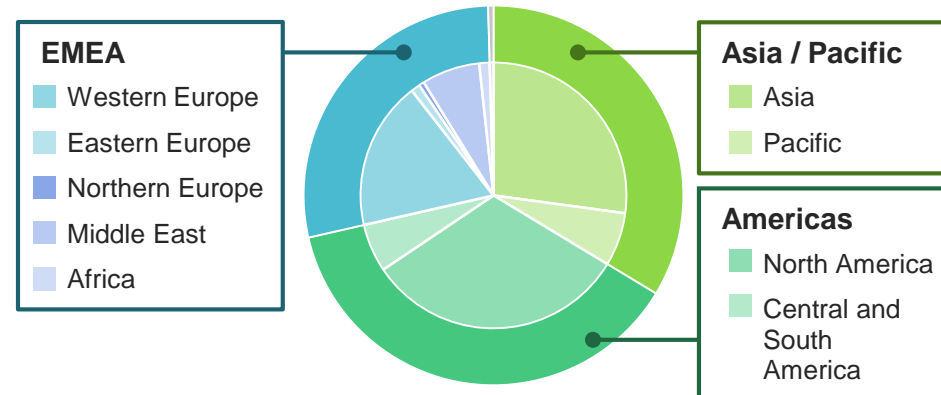


Breakdown of overseas loan balance (Mar. 20)

By industry



By domicile



*1 Includes major overseas banking subsidiaries

Performance of SMBC and group companies

SMBC

	(JPY bn)	FY3/20	YoY	vs Nov. target
1 Gross banking profit		1,412.0	+16.4	
2 o/w Net interest income		878.1	(66.0)	
3 o/w Gains (losses) on cancellation of investment		24.0	(22.0)	
4 Domestic		561.7	(76.4)	
5 Overseas		316.4	+10.4	
6 o/w Net fees and commissions		323.3	(18.9)	
7 Domestic		182.4	(11.0)	
8 Overseas		140.9	(8.0)	
9 o/w Net trading income+ Net other operating income		208.5	+101.5	
10 o/w Gains (losses) on bonds		74.2	+71.3	
11 Expenses		808.1	(3.5)	
12 Banking profit		604.0	+19.9	+4.0
13 Total credit cost		49.6	+51.8	(20.4)
14 Gains (losses) on stocks		51.9	(16.1)	
15 Extraordinary gains (losses)		(122.2)	(117.7)	
16 Net income		317.4	(160.0)	(12.6)

Provision of investment loss for
The Bank of East Asia:
JPY (120) bn ^{*1}

Other major group companies

(left : results of FY3/20 / right : YoY)

(JPY bn)	SMCC		SMBC Nikko ^{*3}		SMBCCF	
Gross profit	420.0	+11.8	320.1	(3.0)	274.4	+5.9
Expenses	328.1	+22.8	271.8	(4.3)	113.9	+3.0
Net business profit	92.4	(11.0)	48.3	+1.2	160.5	+2.9
Net income	38.2	+84.9 ^{*2}	35.2	+4.1	90.1	+45.1 ^{*4}

(Equity method affiliate)

	SMBC Trust		SMDAM ^{*5} 50%		SMFL ^{*6} 50%	
Gross profit	49.5	(0.3)	35.1	+9.3	183.0	(2.5)
Expenses	48.6	(3.2)	32.0	+14.1	84.7	(3.6)
Net business profit	0.9	+2.8	3.1	(4.7)	101.1	+1.9
Net income	(32.8)	(29.0)	0.9	(4.3)	61.2	(18.8)

^{*1} Eliminated in consolidated figures ^{*2} Due to the absence of tax costs by becoming a wholly owned subsidiary recorded last year.

^{*3} Excluding profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG)

^{*4} Due to an increase in tax effect accounting ^{*5} YoY excluding figures of Daiwa SB Investments ^{*6} Managerial accounting basis

Balance sheet

Consolidated B/S

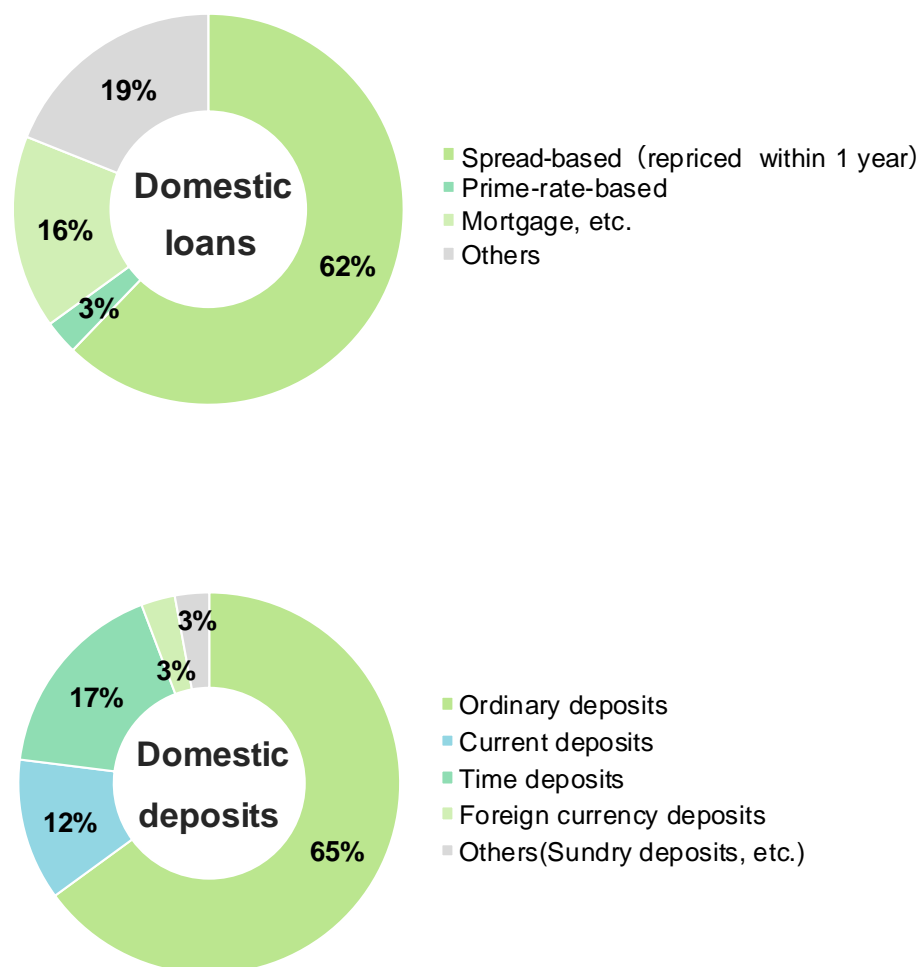
	(JPY tn)	Mar. 20	vs Mar.19
Total assets		219.9	+16.2
o/w Cash and due from banks		61.8	+4.4
o/w BOJ's current account balance ^{*1}		48.7	+6.4
o/w Loans		82.5	+4.5
o/w Domestic loans ^{*1}		54.6	+0.6
o/w Large corporations ^{*2}		16.5	+0.5
o/w Mid-sized corporations & SMEs ^{*2}		18.6	+0.6
o/w Individuals ^{*2}		12.5	(0.4) ^{*3}
o/w Securities		27.1	+2.8
o/w Other securities		26.6	+2.8
o/w Stocks		2.7	(0.7)
o/w JGBs		7.1	+0.9
o/w Foreign bonds		11.6	+2.7
Total liabilities		209.1	+16.9
o/w Deposits		127.0	+4.7
o/w Domestic deposits ^{*1}		102.2	+4.9
o/w Individuals		49.1	+1.9
o/w Corporates		53.1	+3.0
o/w NCD		10.2	(1.0)
Total net assets		10.8	(0.7)
Loan to deposit ratio		60.1%	

*1 Non-consolidated

*2 Managerial accounting basis

*3 After adding back the portion of housing loans securitized in FY3/20 of JPY 188.7 bn

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



Capital / RWA

	Mar. 20	Requirement ^{*1}
Capital ratio		
Total capital ratio	18.75%	11.5%
CET1 ratio (Basel III fully-loaded basis)	15.55%	8%
excl. OCI	13.3%	-
CET1 ratio (Post-Basel III reforms)	11.0%	8%
excl. OCI	9.8%	-
External TLAC ratio		
RWA basis ^{*2}	25.96%	16%
Leverage exposure basis	7.64%	6%
Leverage ratio	4.31%	3%
LCR (Average 4Q FY3/20)	125.6%	100%

	(JPY bn)	Mar. 19	Mar. 20
Total capital		12,240.5	11,552.0
Tier1 capital		10,727.2	10,249.9
o/w CET1 capital		9,654.5	9,581.3
Tier2 capital		1,513.3	1,302.1
External TLAC		17,983.4	18,162.0
Risk-weighted assets		58,942.8	61,599.1
Leverage exposure		219,538.8	237,488.7

*1 Excluding countercyclical buffer

Financial highlights – IFRS*1

Income statement data

(JPY bn)	FY3/18	FY3/19
Net interest income	1,410.1	1,304.5
Net Fee and commission income	952.5	923.4
Net Trading income	270.5	320.3
Other operating income	1,179.2	654.2
Total operating income	3,812.3	3,202.4
Net operating income	3,675.5	3,082.8
Profit before tax	1,119.0	831.9
Net profit	889.6	647.6

Statement of financial position data

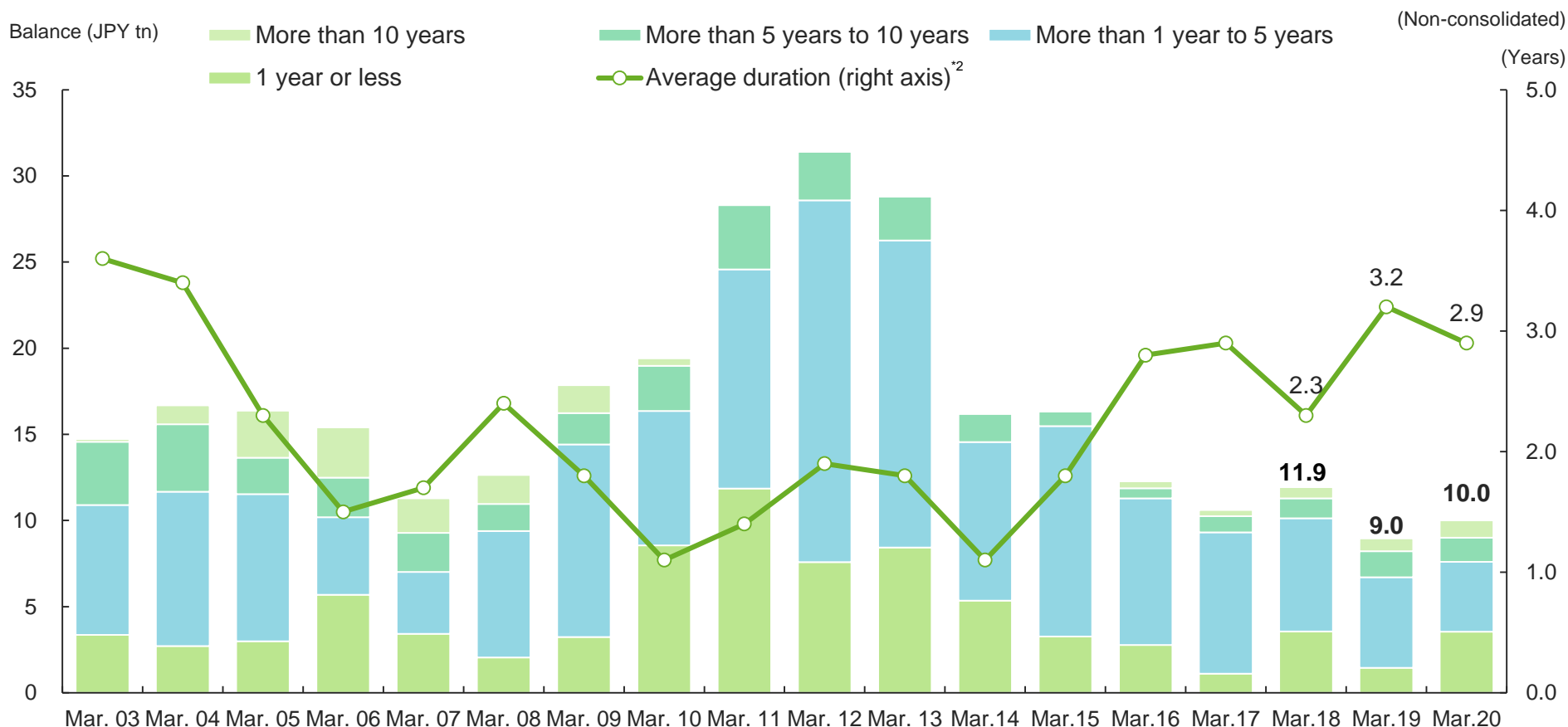
(JPY bn)	FY3/18	FY3/19
Total assets	192,175.6	195,503.6
Loans	85,129.1	90,682.9
Deposits	128,461.5	134,404.7
Total equity	12,495.8	11,773.4

Reconciliation with Japanese GAAP

	(At and for FY3/19, JPY bn)	Total equity	Net profit
IFRS		11,773.4	647.6
Differences arising from different accounting for:	Scope of consolidation	132.0	(0.1)
	Derivative financial instruments	109.7	(31.2)
	Investment securities	(282.0)	129.5
	Loans and advances	299.0	23.2
	Investments in associates and joint ventures	(33.9)	86.5
	Property, plant and equipment	(10.3)	1.2
	Lease accounting	2.2	1.4
	Defined benefit plans	59.9	51.4
	Deferred tax assets	(56.4)	(8.1)
	Foreign currency translation	-	(1.3)
	Classification of equity and liability	(602.8)	(11.9)
	Others	142.3	(42.5)
	Tax effect of the above	(81.6)	(53.4)
Japanese GAAP		11,451.6	792.2

Bond portfolio

Yen bond portfolio*1



Unrealized gains
(JPY bn)³

44.2

60.5

21.4

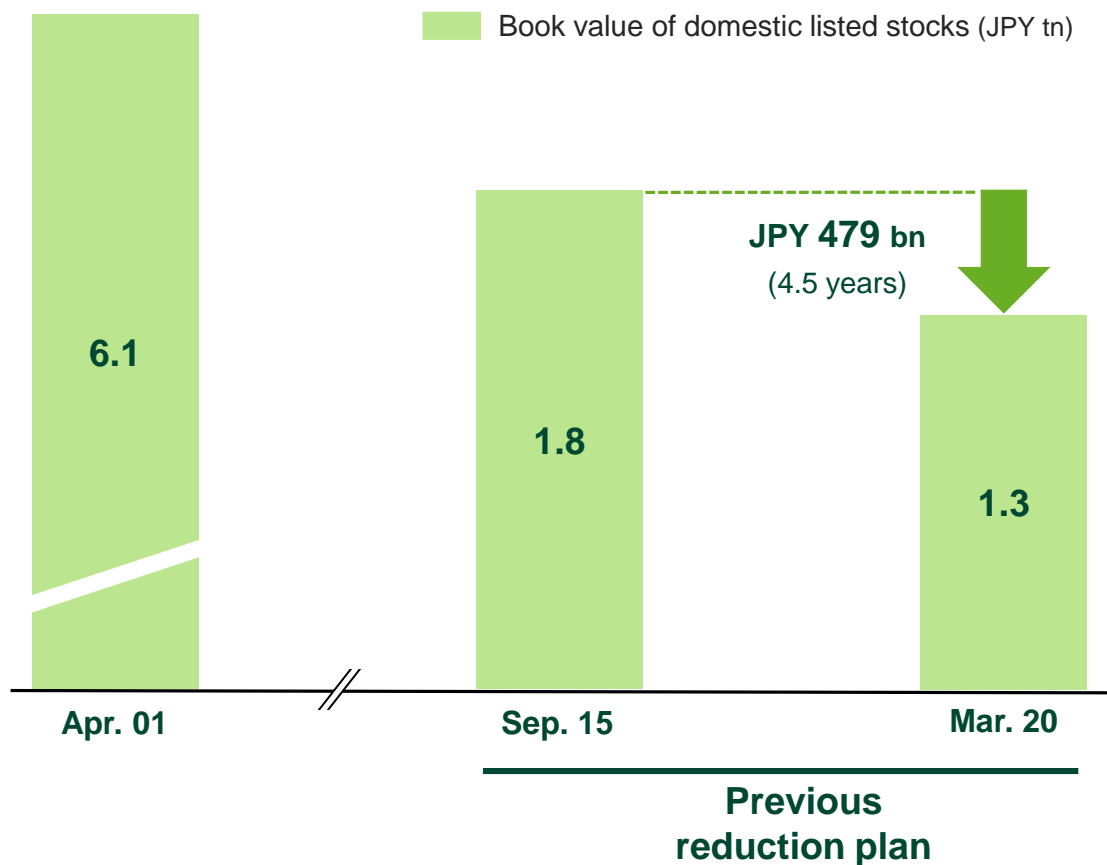
*1 Total balance of other securities with maturities and bonds classified as held-to-maturity; total of JGBs, Japanese local government bonds and Japanese corporate bonds

*2 Excludes 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

*3 15-year floating-rate JGBs have been evaluated at their reasonably estimated price from Mar. 09

Strategic shareholdings

Achieved the target of the previous reduction plan.



Previous reduction plan

- FY3/17	115 bn
FY3/18	115 bn
FY3/19	130 bn
FY3/20	119 bn
Actual reduction	479 bn
Consent of sales	66 bn
Total	545 bn

Ratio of stocks to CET1^{*1}

28%

16%

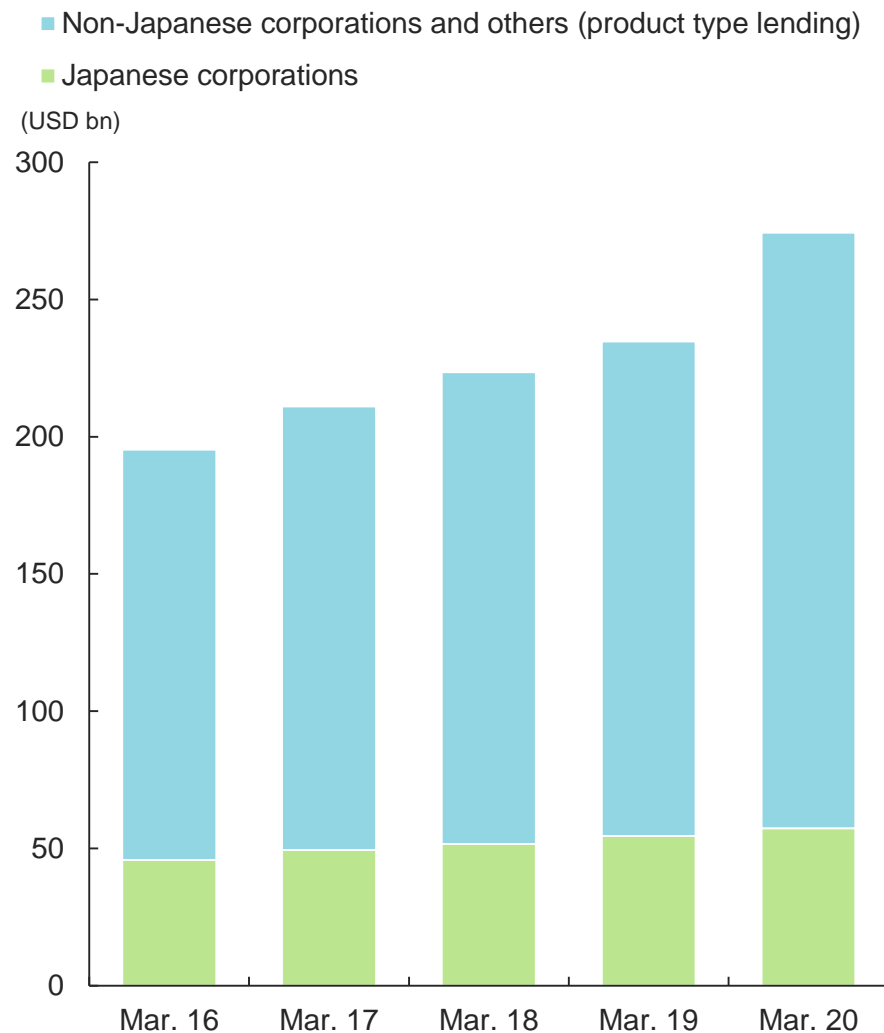
Sep. 15

Mar. 20

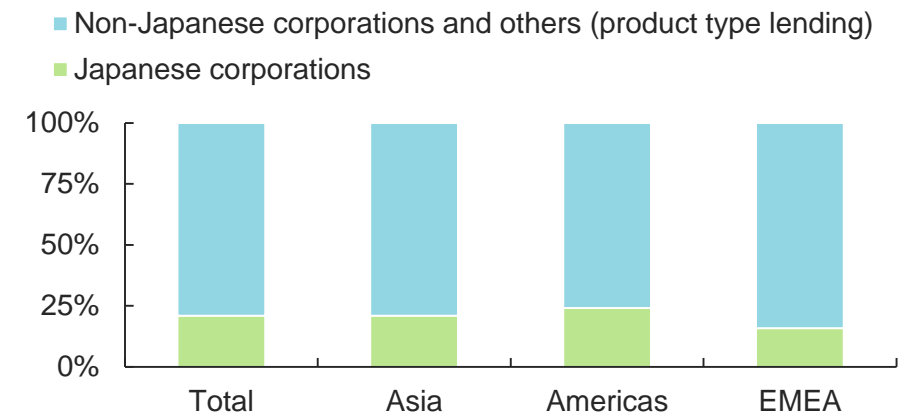
*1 Basel III fully-loaded basis, excl. OCI

Overseas loan balance classified by borrower type*1

Total



By region (Mar. 20)



Major marketing channels in Asia (Mar. 20)*2

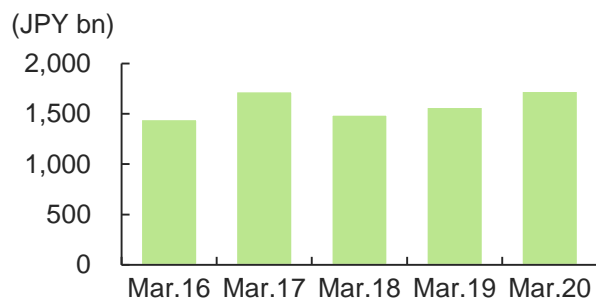


*1 Managerial accounting basis. Sum of SMBC and Major local subsidiaries

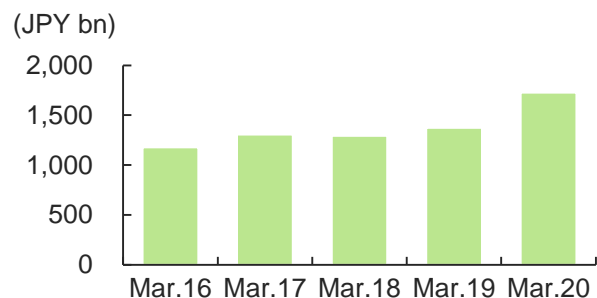
*2 Excludes BTPN in Indonesia

Loan balance in Asian countries/areas*1

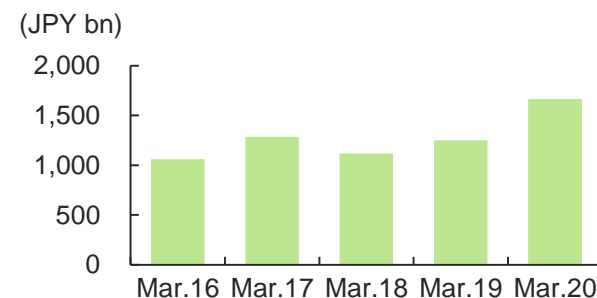
Hong Kong



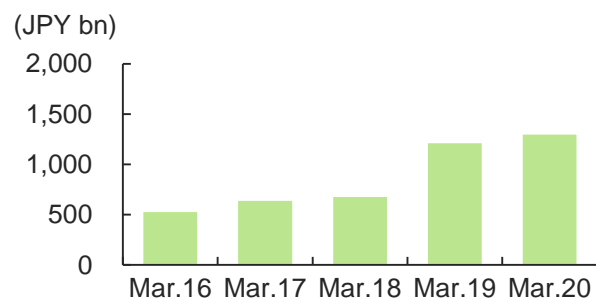
Australia



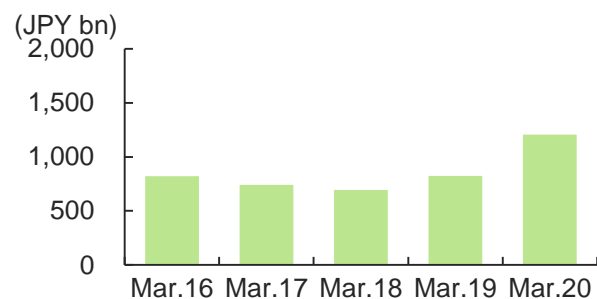
Singapore



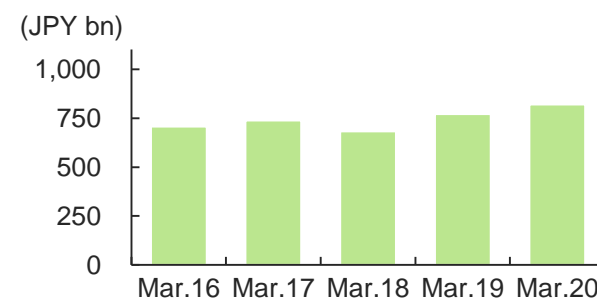
Indonesia



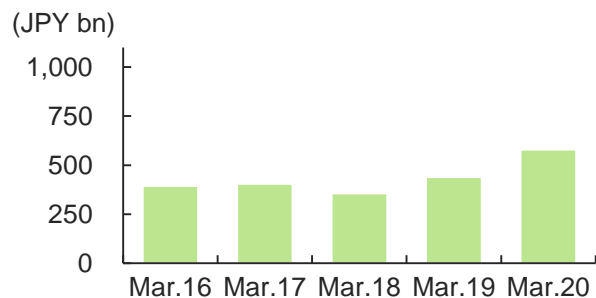
China



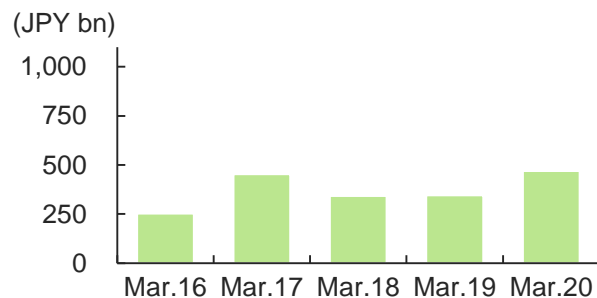
Thailand



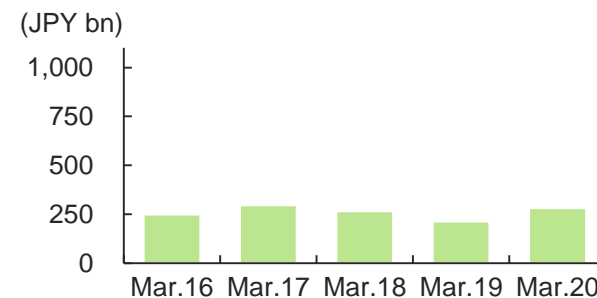
India



Taiwan

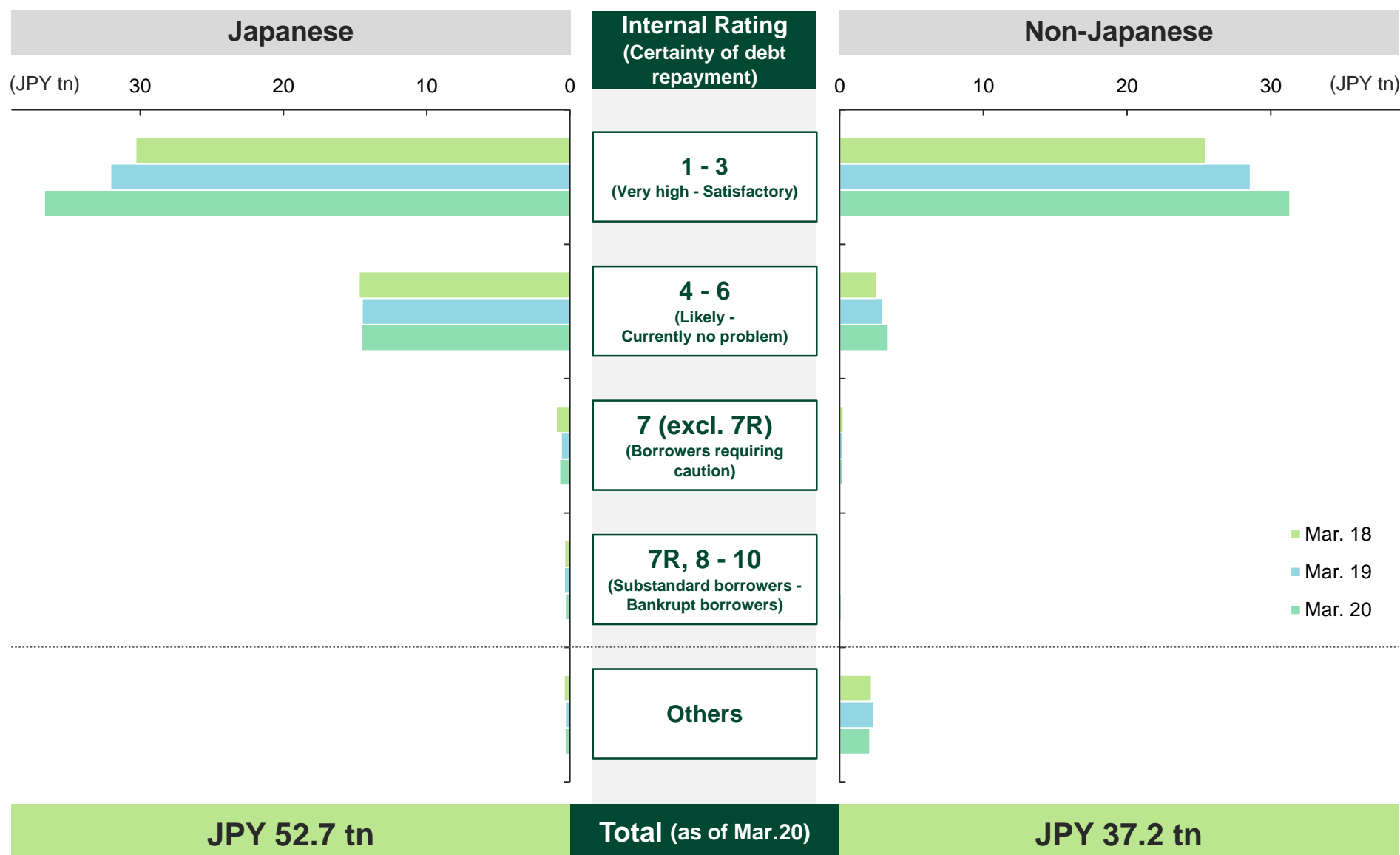


Korea



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

Japanese and non-Japanese corporate exposures

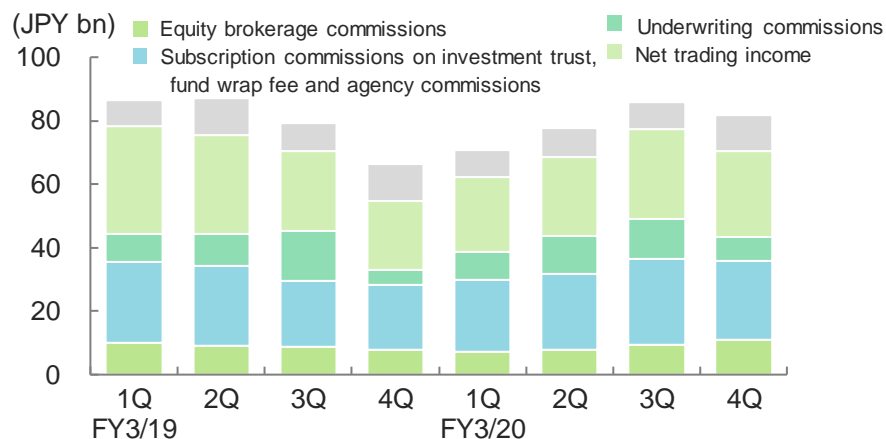


*1 Managerial accounting basis. Exposure includes loans, acceptances and guarantees, foreign exchanges, private placement, suspense payments, undrawn commitments, and derivatives, etc. Excluding the exposure to SMFG consolidated subsidiaries, retail customers in Japan, Japanese government, etc., and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

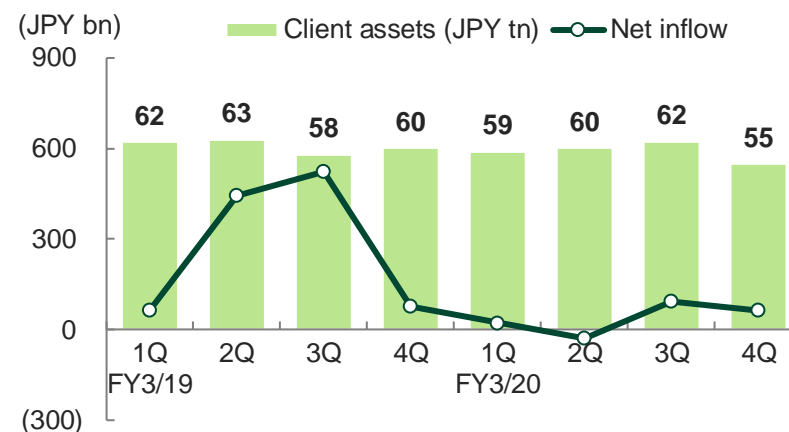
Financial results

(JPY bn)	FY3/19	FY3/20	YoY
Net operating revenue	319.2	316.0	(3.2)
SG&A expenses	276.5	273.0	(3.5)
Ordinary income	48.4	49.8	+1.4
Net income	33.3	39.2	+5.9

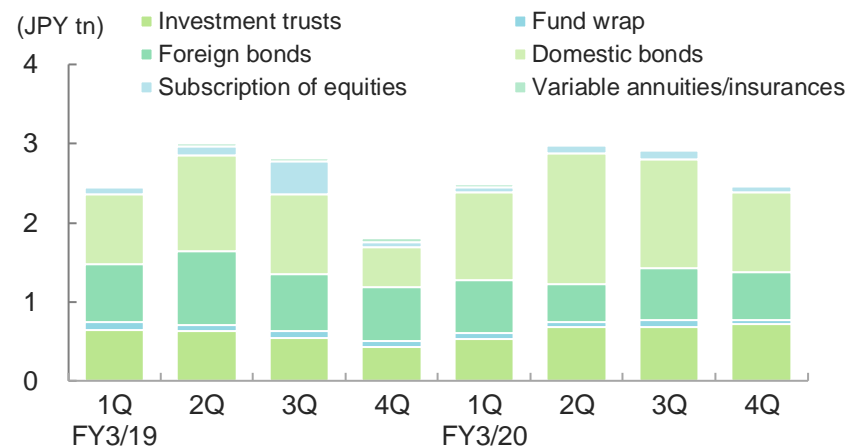
Net operating revenue



Client assets / Net inflow



Product sales

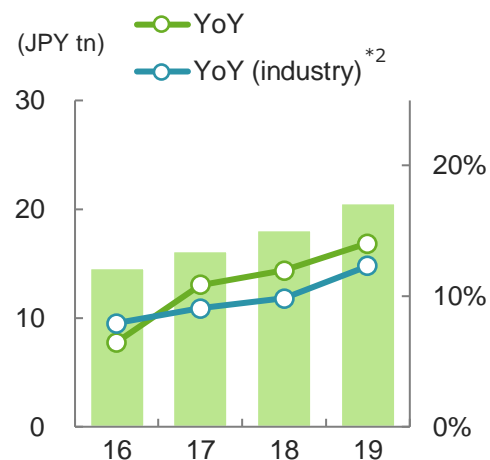


Financial results

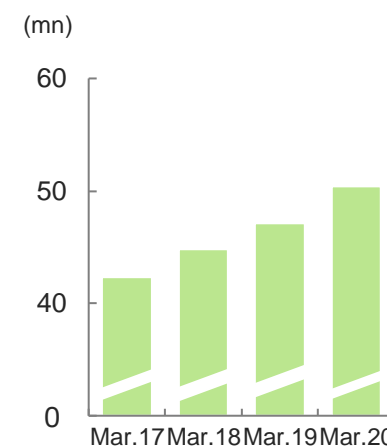
(JPY bn)	FY3/19	FY3/20	YoY
Operating revenue	465.5	480.8	+15.4
o/w Commission fee	145.2	153.0	+8.8
Finance	108.5	109.2	+0.7
Sales on credit	36.8	35.8	(0.9)
Receipt agency	45.4	46.7	+1.4
Operating expense	403.0	430.3	+27.3
o/w Expenses for loan losses	33.1	32.3	(0.8)
Expense for interest repayments	10.9	12.0	+1.1
Ordinary profit (loss)	62.7	50.8	(11.9)
Net income	(46.7)	38.2	+84.9 ^{*1}
Finance outstanding	730.2	738.3	

Key figures

Sales handled

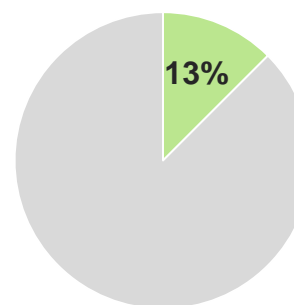


of card holders

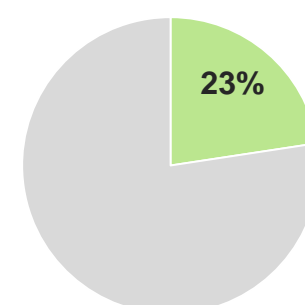


Market share^{*3}

Issuing



Acquiring



^{*1} Due to the absence of tax costs by becoming a wholly owned subsidiary recorded last year

^{*2} The Japan Consumer Credit Association "Credit card behavior investigation" Shopping credit amount Growth rate in FY3/20 compared by the 1H figure ^{*3} METI "Indices of Tertiary Industry Activity" Sales credit business handled (2019 : JPY 63 tn)

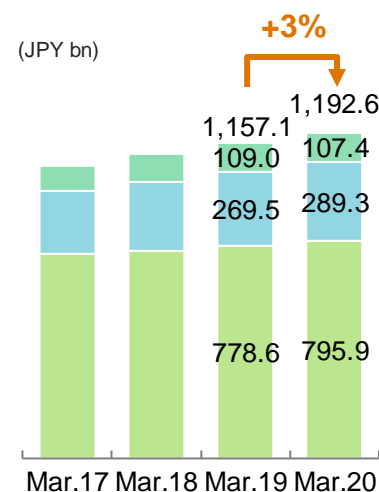
Financial results

(JPY bn)	FY3/19	FY3/20	YoY
Operating income	281.8	288.5	+6.7
o/w Interest revenues	177.4	184.9	+7.5
Loan guarantee revenues	69.2	68.7	(0.5)
Operating expenses	236.0	228.3	(7.7)
o/w Expenses for loan losses	57.5	68.2	+10.7
Expense for loan guarantees	28.0	15.3	(12.7)
Expenses for interest repayments	36.0	27.0	(9.0)
Ordinary profit	46.3	60.5	+14.2
Net income	45.1	90.1	+45.1 ^{*1}
NPLs	71.3	78.3	
(NPL ratio)	6.16%	6.57%	
Allowance on interest repayments (provision)	112.1	106.1	
	3.4 yrs	3.2 yrs	

*1 Due to an increase in tax effect accounting

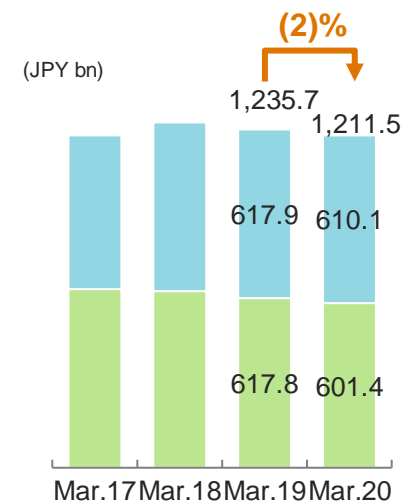
Consumer loans

■ Promise ■ Mobit ■ Promise (overseas)

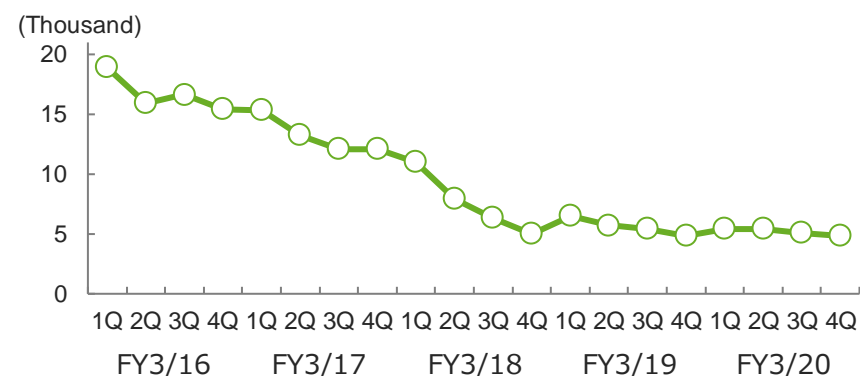


Loan guarantee

■ SMBC ■ Others



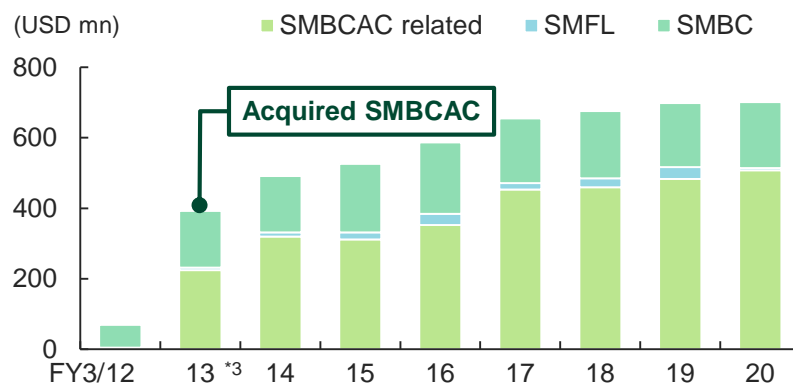
No. of interest refund claims



Financial results

(USD mn)	FY3/19	FY3/20
Total revenue	1,188	1,283
Lease revenue	1,100	1,135
Net income	316	334
Impairment loss / provisions	43	32
Aircraft asset^{*1}	12,379	13,142
Net asset	3,117	3,047
ROE	11.7%	10.8%

Aircraft business of SMBC Group



of owned and managed aircraft^{*2}

	Company	Country	#
1	GECAS	USA	1,143
2	AerCap	Ireland	1,016
3	Avolon	Ireland	524
4	BBAM	USA	511
5	SMBCAC	Ireland	417

Average age of aircraft

4.2 years (as of Mar. 20)

^{*1} Include Aircraft pre-delivery payments ^{*2} As of Dec.19 (Source: Ascend/Airline Business)

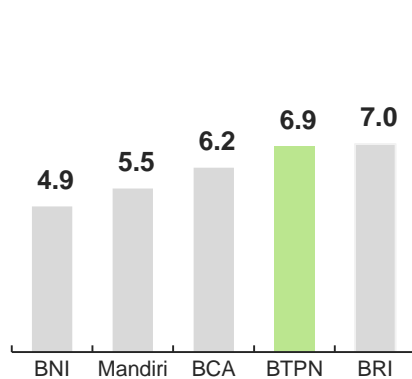
^{*3} SMBCAC related includes revenue after the acquisition in June

Financial results*1

(JPY bn)	2017	2018	2019
Gross banking profit	82.9	77.5	99.6
Operating expenses	57.4	44.7	56.3
Net profits	10.1	14.0	20.3
ROE	8.2%	11.6%	9.9%
Loans	542.4	517.8	1,119.9
Deposits	563.7	538.4	686.8
Total assets	788.8	770.2	1,434.9

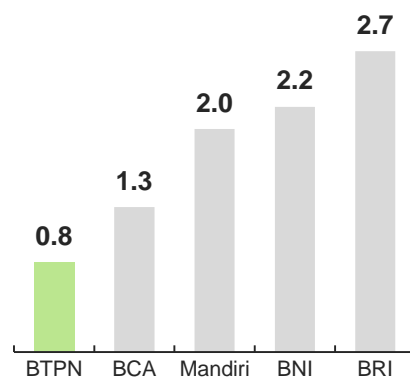
Net interest margin*2

(%)

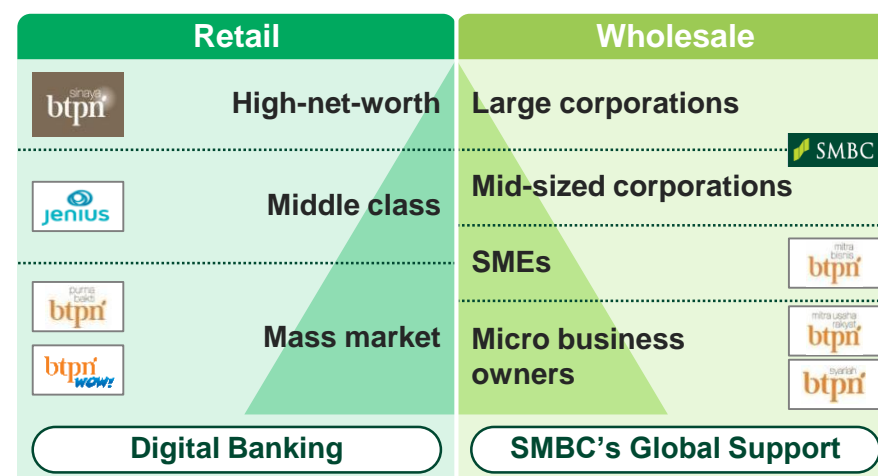


NPL ratio*2

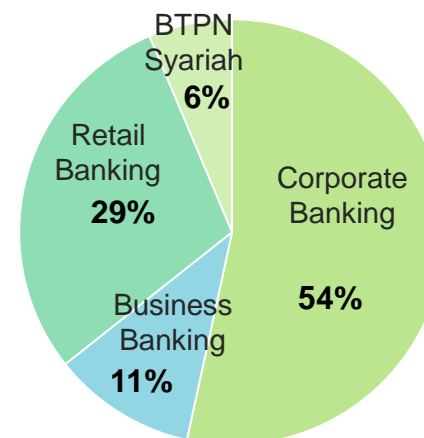
(%)



Customer



Loan breakdown*3



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

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

Credit ratings of Aussie and Canadian banks

OpCo senior unsecured notes / Excluded liabilities
 TLAC eligible senior unsecured notes
 Basel III Tier 2 notes

Notch Difference (between TLAC senior and Tier 2 notes)

(As of May 31, 2020)

Moody's

	SMFG	BMO	BNS	RBC	TD	ANZ	CBA	NAB	Westpac
Aa1									
Aa2									
Aa3									
A1									
A2									
A3									
Baa1									
Baa2									
Baa3									

S&P

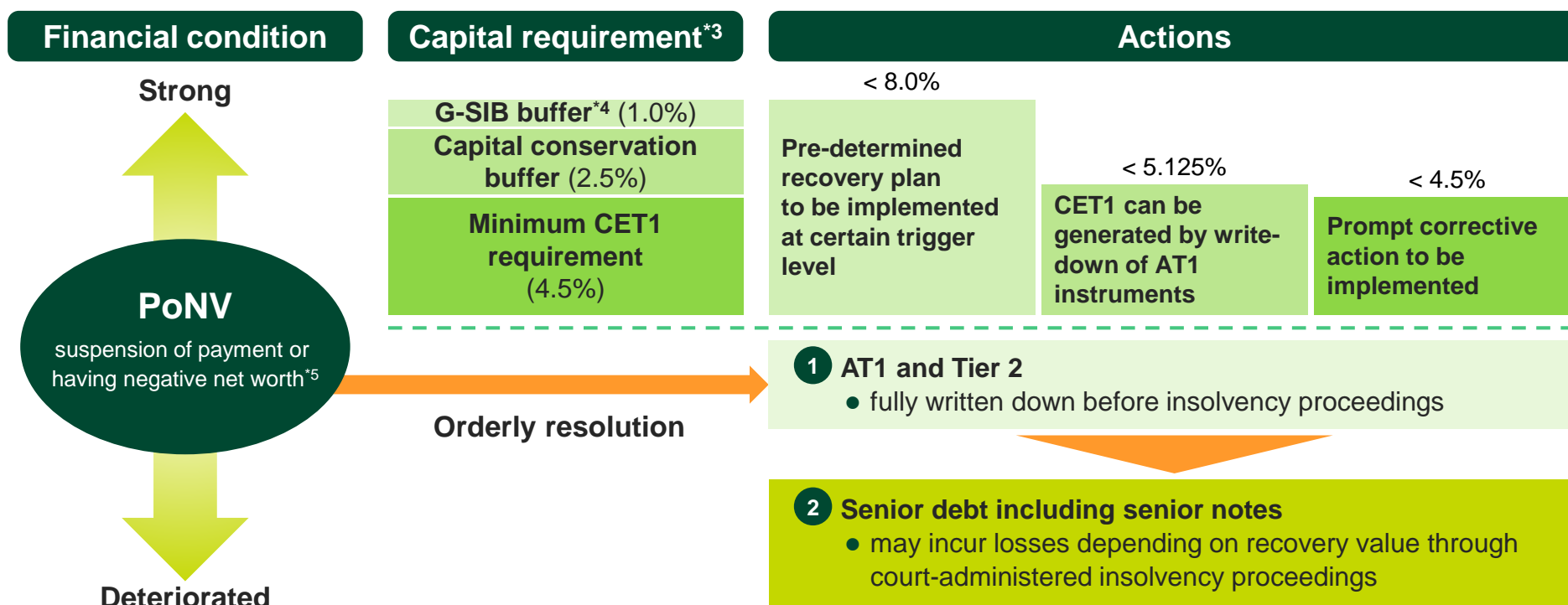
	SMFG	BMO	BNS	RBC	TD	ANZ	CBA	NAB	Westpac
AA-									
A+									
A									
A-									
BBB+									
BBB									
BBB-									
BB+									

Safeguards before incurring losses at PoNV

- capital requirement-based corrective measures

Senior notes may incur losses during orderly resolution which is expected to be commenced subsequent to PoNV^{*1}

All Basel III eligible AT1 and Tier 2 instruments will be fully^{*2} written down upon PoNV pursuant to their terms before senior notes incur losses and AT1 / Tier 2 investors will not be able to claim written down amounts in the liquidation proceedings



^{*1} Based on a possible model of Japanese G-SIB's resolution under the SPE resolution strategy as set out in "The FSA's Approach to Introduce the TLAC Framework" published in Apr. 16 and revised in Apr. 18 ("the FSA's Approach") and the TLAC related regulatory documents published by FSA in Mar. 19 ("the Japanese TLAC standards") ^{*2} Except for the amounts that have become due and payable prior to the occurrence of PoNV ^{*3} Excludes countercyclical buffer ^{*4} As for G-SIB buffer, SMFG was allocated to bucket 1 (1.0%) according to the list published by the FSB in Nov. 18 ^{*5} PoNV will be deemed to have reached when the Prime Minister of Japan, following deliberation by Japan's Financial Crisis Response Council pursuant to the DIA, confirms (nintei) that "specified Item 2 measures (tokutei dai nigo sochi)", which are the measures set forth in Article 126-2, Paragraph 1, Item 2 of the DIA, as then in effect, need to be applied to a financial institution under circumstances where its liabilities exceed or are likely to exceed assets, or it has suspended or is likely to suspend payment of obligations

Safeguards before incurring losses at PoNV

- safeguards to prevent systemic disruption

The Japanese government has historically had multiple precedents of prompt corrective action and pre-emptive capital injection.^{*1}

The Mar. 14 amendments to the Deposit Insurance Act (DIA) expanded the scope of institutions eligible for the safeguards to include financial holding companies and other financial institutions.

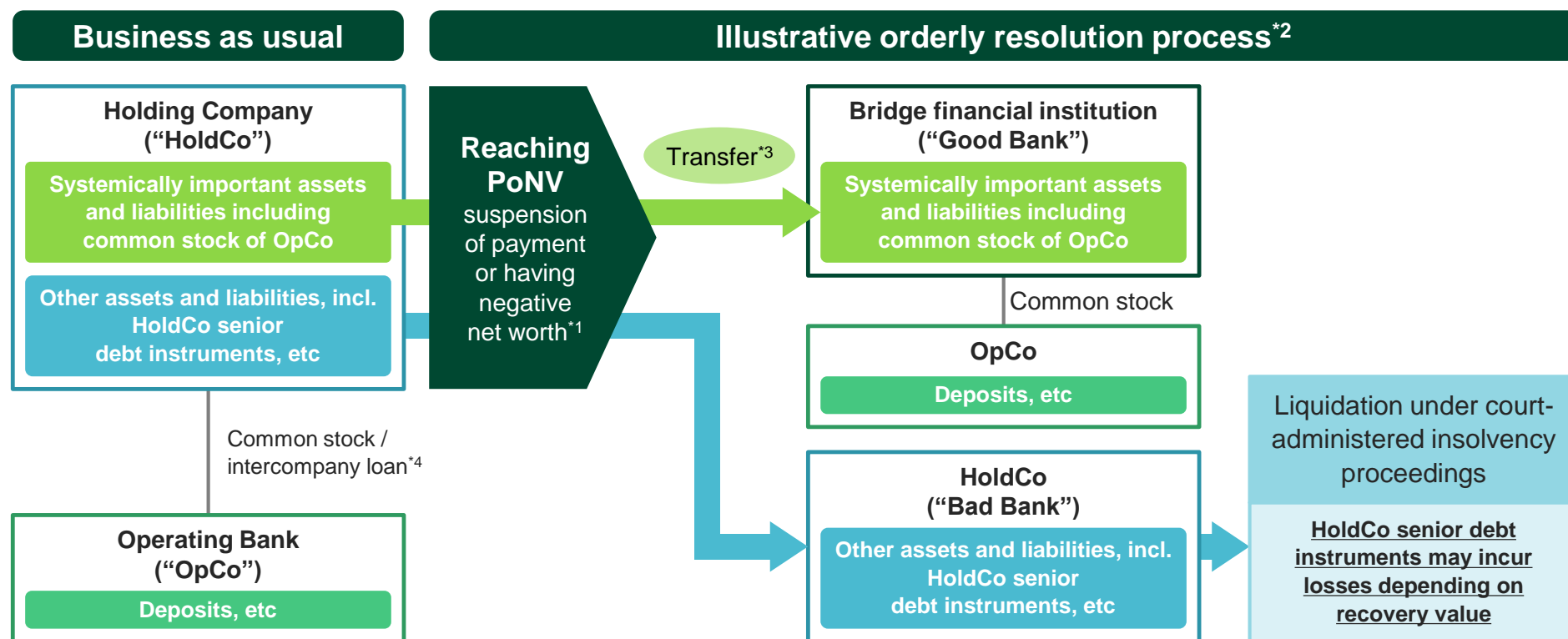
PoNV	Framework	Subject entities
Prior to	Liquidity support and capital injection Specified Item 1 Measures set forth in the DIA	Financial institutions Including banks and bank holding companies (BHCs) <i>Introduced in Mar. 14</i>
	Capital injection Act on Special Measures for Strengthening Financial Functions	Banks and BHCs ^{*2}
	Capital injection Item 1 Measures set forth in the DIA	Banks and BHCs ^{*2}
PoNV suspension of payment or having negative net worth ^{*3} Posterior to	Financial assistance for orderly resolution Specified Item 2 Measures set forth in the DIA	Financial institutions Including banks and BHCs <i>Introduced in Mar. 14</i>
	Financial assistance exceeding payout cost or Temporary nationalization	Banks

*1 There is no assurance that any such measures would be applied in any given case *2 Capital injection may be made through BHCs *3 PoNV will be deemed to have reached when the Prime Minister of Japan, following deliberation by Japan's Financial Crisis Response Council pursuant to the DIA, confirms (nintei) that "specified Item 2 measures (tokutei dai nigo sochi)", which are the measures set forth in Article 126-2, Paragraph 1, Item 2 of the DIA, as then in effect, need to be applied to a financial institution under circumstances where its liabilities exceed or are likely to exceed assets, or it has suspended or is likely to suspend payment of obligations

Orderly resolution regime in Japan

An orderly resolution is expected to be commenced subsequent to PoNV^{*1} after SMFG absorbs losses incurred by its material subsidiaries^{*2}

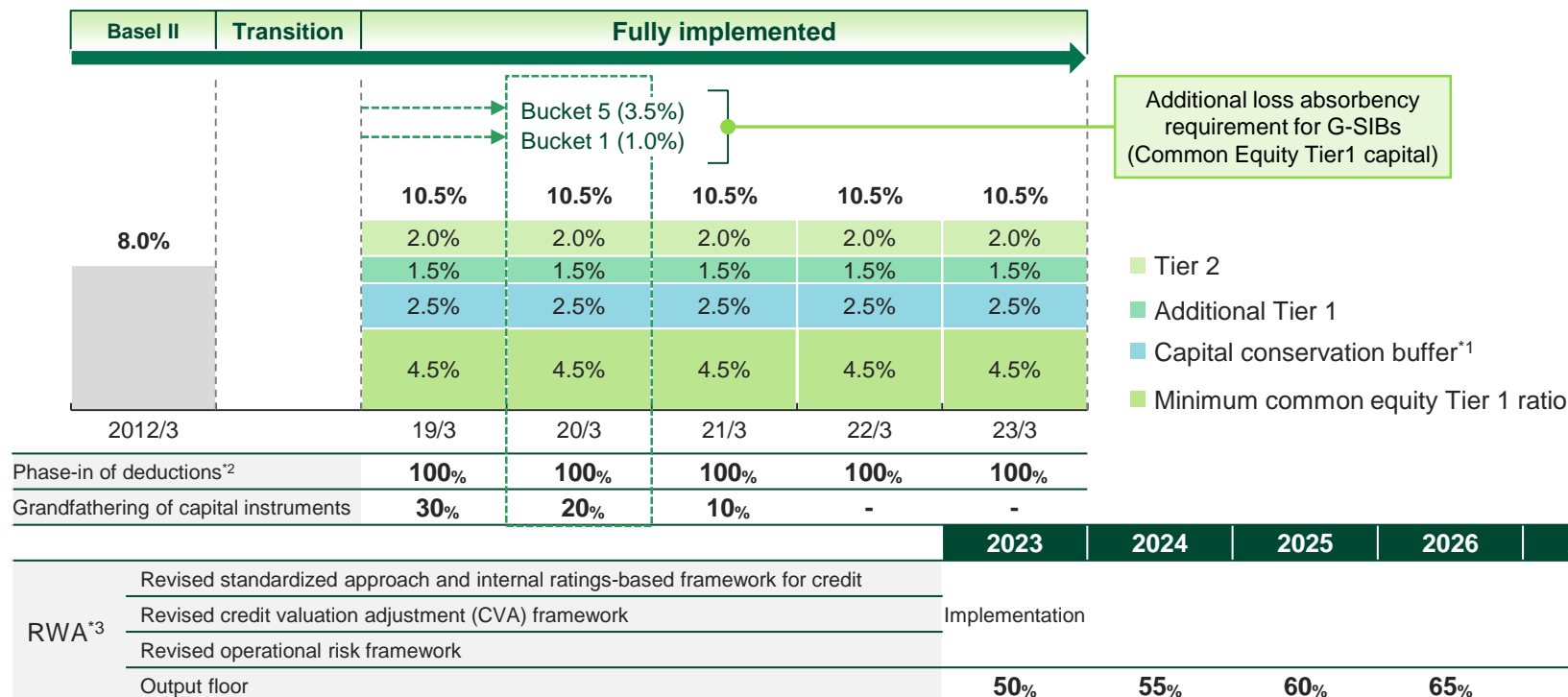
Senior notes may incur losses depending on recovery value through court-administered insolvency proceedings



^{*1} PoNV will be deemed to have been reached when the Prime Minister of Japan, following deliberation by Japan's Financial Crisis Response Council pursuant to the DIA, confirms (nintei) that "specified Item 2 measures (tokutei dai nigo sochi)," which are the measures set forth in Article 126-2, Paragraph 1, Item 2 of the DIA, as then in effect, need to be applied to a financial institution under circumstances where its liabilities exceed or are likely to exceed its assets, or it has suspended or is likely to suspend payment of its obligations ^{*2} Based on a possible model of Japanese G-SIB's resolution under the SPE resolution process, as stated in the FSA's Approach ^{*3} Transfer of business, assets and/or liabilities under special supervision by or under special control of the Deposit Insurance Company of Japan ^{*4} According to the FSA's Approach and the Japanese TLAC standards, domestic material subsidiaries including OpCo could be subject to internal TLAC requirements depending on its size and risk of exposures. Losses incurred at the material subsidiaries would be absorbed by the HoldCo through internal TLAC with a business improvement order being given by FSA in order to implement the orderly resolution

Application of Basel III

Capital requirements



Leverage ratio and liquidity rules

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

*1 Countercyclical buffer (CCyB) omitted

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

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

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

Major regulatory updates related to COVID-19

1-year deferral of Basel III implementation

Postponement of the implementation date for the Basel III standards was declared by GHOS to respond to the immediate financial stability priorities on the global banking system.

Revision Standard	Original implementation date	Revised implementation date
Leverage ratio framework and G-SIB buffer	January 2022	January 2023
Standardized approach for credit risk		
IRB approach for credit risk		
Operational risk framework		
CVA framework		
Market risk framework		
Output floor	January 2022 transitional arrangements to January 2027	January 2023 transitional arrangements to January 2028
Pillar 3 disclosure framework	January 2022	January 2023

Temporary relief on leverage ratio calculation in Japan

Draft amendments to the regulatory notices of leverage ratio requirements was proposed by Japanese FSA, in accordance with the Bank of Japan's extended monetary policy easing.

- Exclusion of the deposits at BOJ from the leverage ratio calculation
- Maintaining the current minimum requirement of 3% until Mar. 2021

Core policy of the new Medium-Term Management Plan

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

Seven key strategies

Transformation

Transform existing businesses

Growth

Seek new growth opportunities

1

Pursue sustainable growth of wealth management business

2

Improve productivity and strengthen solutions in the domestic wholesale business

3

Enhance overseas CIB business to improve asset / capital efficiency

4

Hold the number one position in payment business

5

Enhance asset-light business on a global basis

6

Expand franchise in Asia and strengthen digital banking

7

Develop digital solutions for corporate clients

Acceleration of sustainability management

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

Establish sustainability management

Oct.18

Corporate Sustainability Committee

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

Apr.20

Group Mission

Customers Shareholders
Employees Add Society



Statement on Sustainability

SMBC Group "GREEN x GLOBE 2030"

"Create the future of the earth and humanity with our customers"

Planning

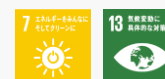
KPIs

SDGs

Materiality

Environment

- ▶ Green Finance
- ▶ Green Bonds Issuance



Next Generation

Community

- ▶ Finance education
- ▶ Retail deposits in Asia



Human Resources

Governance

- ▶ Female managers
- ▶ Childcare leave



Engagement with stakeholders

Customers

Shareholders

Employees

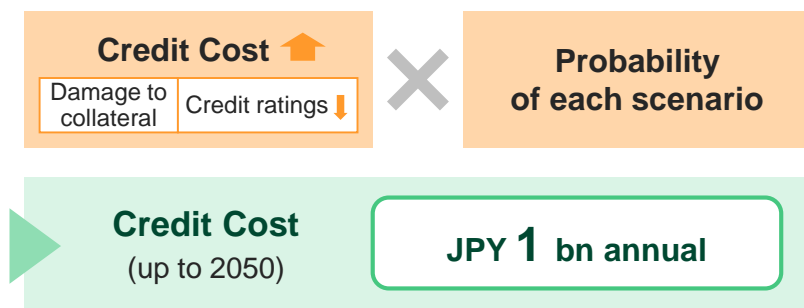
Society

ESG environment

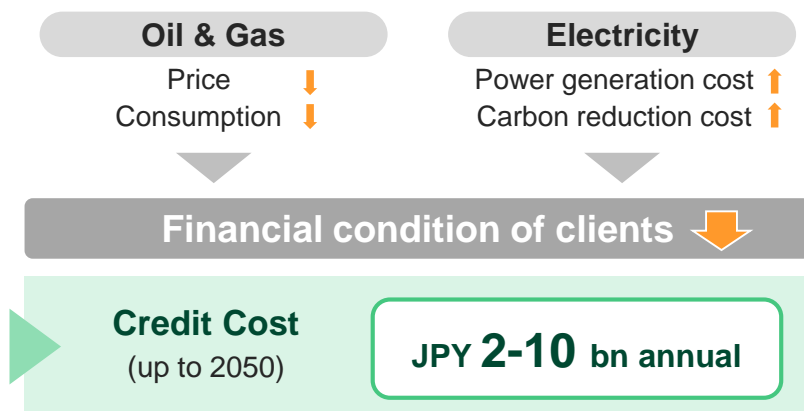
Proactive in environmental issues : first global financial group to disclose the impact of climate-related risks.

Climate Change Impact (TCFD) First to disclose as G-SIFs

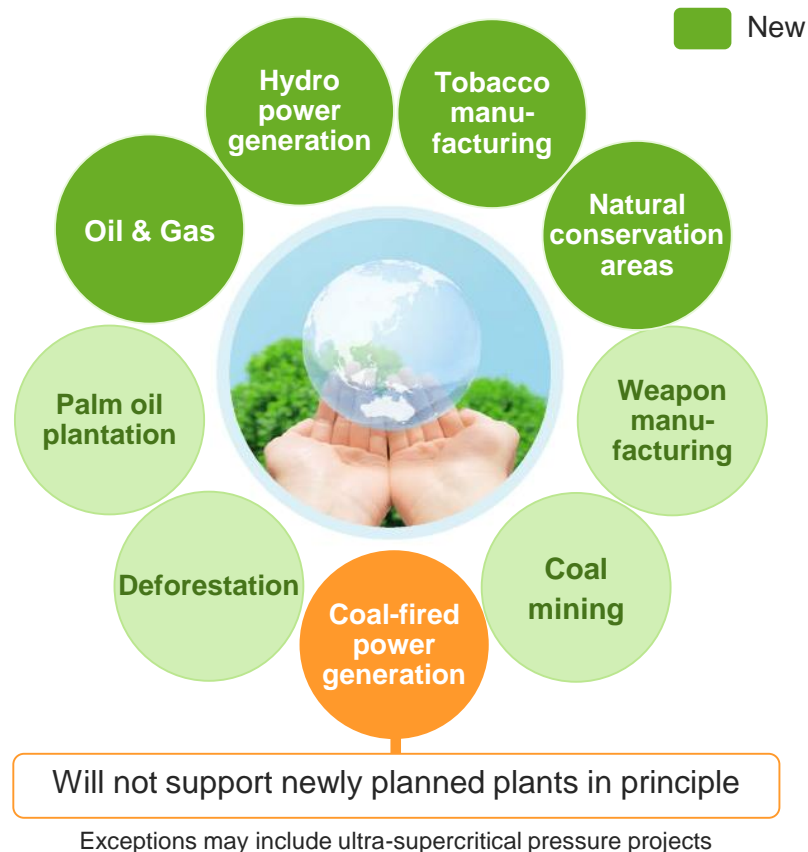
Physical risk of water disasters



Transition risk to a low-carbon society



Expanding of lending policies by sector



Why does SMBC Group issue a Green Bond?

SMBC Group issues a Green Bond to meet investors' demand towards sustainability

Deepening SMBC Group's ESG commitment

SMBC Group's mission is "We grow and prosper together with our customers, by providing services of greater value to them"

By issuing a Green Bond, SMBC Group contributes to:

- The rise of more attention to the role of the financial sector towards the Sustainable Development Goals
- Especially the fulfillment of Goals 3, 7, 9, 11, 12, 13, 14, and 15



Leading the green finance market

SMBC Group has been the leading financial group in the green finance market

By issuing a Green Bond, SMBC Group contributes to:

- Promotion of global renewable energy finance market
- Broadening of the green market to meet the needs of investors
- Promotion of environmental business development with its broad resources

Meeting SMBC Group's stakeholder needs

SMBC Group sees strong demands from stakeholders and the market towards sustainability

By issuing a Green Bond, SMBC Group is able to:

- Broaden and diversify investor base
- Deepen communication / dialogue with investors
- Contribute to mitigating climate-related risks and increasing new investment opportunities for investors

Key aspects of SMBC Group's Green Bond based on Green Bond Principles 2018

1. Use of proceeds

- The net proceeds will be allocated to Eligible Green Projects

Category	SDG's Target	
Renewable Energy	7. Affordable and clean Energy	
Energy Efficiency	7. Affordable and clean Energy	
Green Buildings	9. Industry, innovation and infrastructure	
Clean Transportation	11. Sustainable cities and Communities	
Pollution Prevention and Control	3. Ensure healthy lives and promote well-being for all at all ages	

- Look back period: 24 months
- Projects categorized as either Category B or C under the Equator Principles



3. Management of proceeds

- Maintain the list of all the Eligible Green Project loans and manage the balance for each Eligible Green Project
- Pending allocation proceeds will be invested in overnight or other short-term financial instruments
- Payment of the principal and interest on the notes will be made from SMBC's general funds and will not be directly linked to the performance of any Eligible Green Project

2. Project evaluation and selection

- SMFG's Corporate Treasury Dept. and SMBC's Planning Dept., Treasury Unit worked together with SMFG's Corporate Sustainability Dept. to establish the criteria for Eligible Green Projects
- SMBC's Structured Finance Dept. selects the project pool which meets the criteria
- SMFG's Corporate Treasury Dept. and SMBC's Planning Dept., Treasury Unit decide the eligible projects and allocate net proceeds of the Green Bond to them
- JRI supports the election of criteria for Eligible Green Projects and the selection process as an advisor

4. Reporting

- Annually update information on the allocation of the net proceeds to the Eligible Green Projects
 - Project category, current funded amounts, initial funding dates and contractual maturity dates, and
 - Assertions made by SMBC Group's management on the allocation, accompanied by a report from **Sustainalytics** 
- Annually report an estimate of the expected tons of CO₂ emissions equivalent avoided through Renewable Energy Projects, in conjunction with support from **JRI**  Japan Research Institute

Use of proceeds statement for each issuance 1/3

2015/10/20 SMBC Green Bond USD 500 mn

Net Proceeds from Note Issuance

Sumitomo Mitsui Banking Corporation USD 500,000,000 2.45% Senior Notes due 2020

USD 500 mn

Use of Proceeds as of Mar. 2019

Category	Sub-Category	Loan Agreement Date	Currency	Country	Loan balance (USD mn) ^{*1}	CO ₂ Emissions Reduction (t-CO ₂)	
						(o/w SMBC Group Financed)	
Renewable Energy	Biomass	2014/10	GBP	UK	30	68,192	7,131
Renewable Energy	Biomass	2014/8	GBP	UK	65	9,645	3,215
Renewable Energy	Wind Energy	2014/5	EUR	Netherland	25	1,212,710	45,651
Renewable Energy	Wind Energy	2014/10	CAD	Canada	37	46,989	4,840
Renewable Energy	Wind Energy	2014/4	USD	USA	56	213,427	65,295
Renewable Energy	Wind Energy	2014/11	AUD	Australia	27	204,976	55,403
Renewable Energy	Wind Energy	2017/7	EUR	France	27	17,124	5,822
Renewable Energy	Wind Energy	2017/11	EUR	France	44	17,576	4,633
Renewable Energy	Wind Energy	2017/8	GBP	UK	26	578,462	123,148
Renewable Energy	Wind Energy	2016/5	GBP	UK	52	401,383	25,569
Renewable Energy	Solar Energy	2014/9	JPY	Japan	80	154,408	16,459
Renewable Energy	Solar Energy	2014/3	JPY	Japan	37	60,833	9,999
				Total	507	2,985,724	367,164
Net Proceeds from Note Issuance						USD 500 mn	
CO ₂ avoidance per USD 1 mn						734.3 t-CO ₂	

*1 Translated into USD at the exchange rates as of Mar. 19

Use of proceeds statement for each issuance 2/3

2017/10/11 SMFG Green Bond EUR 500 mn

Net Proceeds from Note Issuance

Sumitomo Mitsui Financial Group EUR 500,000,000 0.934% Senior Notes due 2024

EUR 500 mn

Use of Proceeds as of Mar. 2019

Category	Sub-Category	Loan Agreement Date	Currency	Country	Loan balance (USD mn) ^{*1}	CO ₂ Emissions Reduction (t-CO ₂)	
							(o/w SMBC Group Financed)
Renewable Energy	Wind Energy	2016/12	GBP	UK	129	676,652	58,115
Renewable Energy	Wind Energy	2017/2	EUR	Germany	20	479,391	48,578
Renewable Energy	Wind Energy	2016/5	GBP	UK	68	611,961	51,387
Renewable Energy	Wind Energy	2016/8	EUR	Germany	93	707,085	36,552
Renewable Energy	Wind Energy	2017/5	EUR	Belgium	29	126,785	16,745
Renewable Energy	Wind Energy	2017/12	EUR	Belgium	11	86,240	22,342
Renewable Energy	Solar Energy	2017/3	EUR	France	29	2,732	601
Renewable Energy	Solar Energy	2016/8	USD	USA	43	253,169	49,888
Renewable Energy	Solar Energy	2016/12	USD	USA	31	446,822	40,284
Renewable Energy	Solar Energy	2016/11	AUD	Australia	27	289,902	57,978
Renewable Energy	Solar Energy	2016/9	JPY	Japan	110	32,239	24,872
Renewable Energy	Solar Energy	2015/12	JPY	Japan	32	16,637	9,298
				Total	621	3,729,617	416,640
Net Proceeds from Note Issuance						EUR 500 mn (USD 561 mn equiv.) ^{*1}	
CO ₂ avoidance per USD 1 mn						742.6 t-CO ₂	

*1 Translated into USD at the exchange rates as of Mar. 19

Use of proceeds statement for each issuance 3/3

2018/12/20 SMBC Green Bond USD 227.8 mn/AUD 83.2 mn

Net Proceeds from Note Issuance

Sumitomo Mitsui Banking Corporation USD 227,800,000 3.370% Senior Notes due 2023

USD 227.8 mn

Sumitomo Mitsui Banking Corporation AUD 83,200,000 2.900% Senior Notes due 2023

AUD 83.2 mn

Use of Proceeds as of Mar. 2019

Category	Sub-Category	Loan Agreement Date	Currency	Country	Loan balance (USD mn) ^{*1}	CO ₂ Emissions Reduction (t-CO ₂)	
						(o/w SMBC Group Financed)	
Renewable Energy	Wind Energy	2018/3	JPY	Japan	24	115,896	16,374
Renewable Energy	Wind Energy	2018/4	USD	USA	54	52,121	11,500
Renewable Energy	Wind Energy	2017/1	AUD	Australia	32	319,144	63,829
Renewable Energy	Wind Energy	2018/5	EUR	Belgium	66	133,435	17,403
Renewable Energy	Solar Energy	2018/3	JPY	Japan	40	24,885	16,208
Renewable Energy	Solar Energy	2018/6	JPY	Japan	35	32,794	8,802
Renewable Energy	Solar Energy	2017/3	JPY	Japan	24	9,540	7,617
Renewable Energy	Solar Energy	2017/4	JPY	Japan	12	8,540	3,842
Renewable Energy	Solar Energy	2017/12	JPY	Japan	19	23,151	12,401
Renewable Energy	Biomass	2018/3	JPY	Japan	17	310,945	118,669
				Total	323	1,030,451	276,646

Net Proceeds from Note Issuance

USD 227.8 mn
AUD 83.2 mn
(USD 287 mn equiv.)^{*1}

CO₂ avoidance per USD 1 mn

963.9 t-CO₂

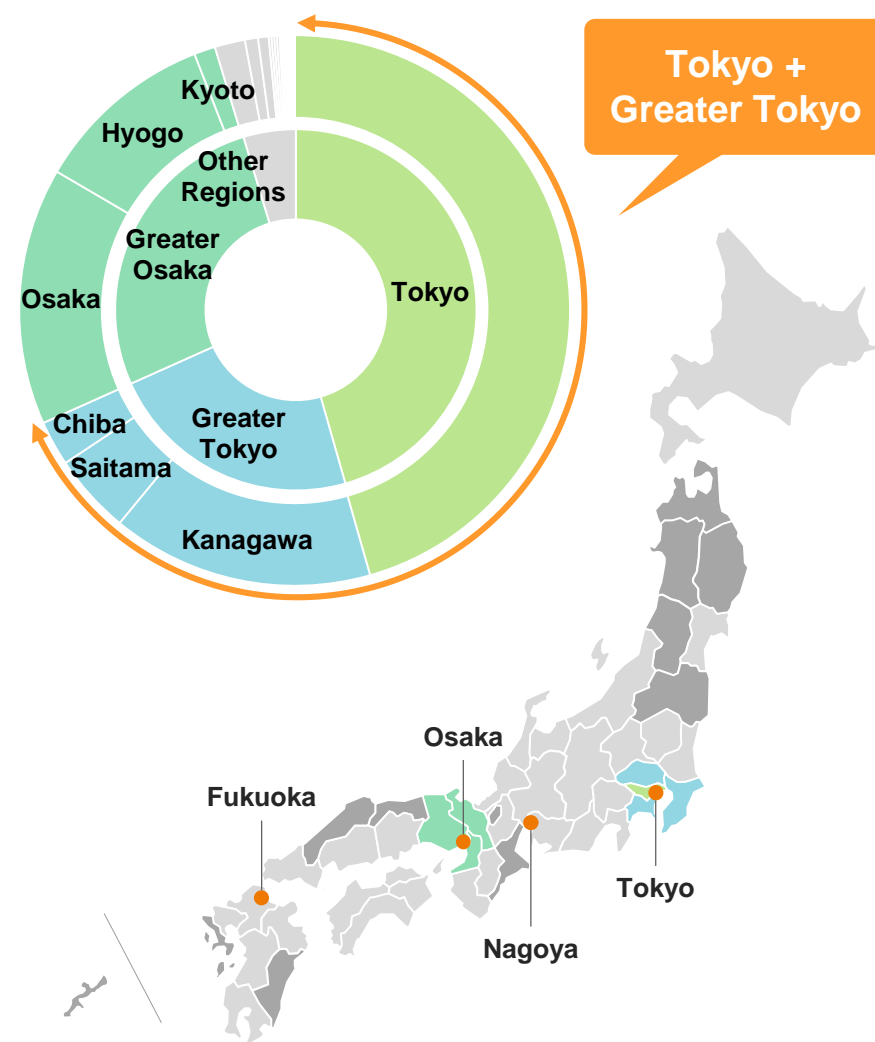
^{*1} Translated into USD at the exchange rates as of Mar. 19

SMBC covered bond: Cover pool summary

RMBS Summary Terms*1

Collateral	Self originated residential loans
Originator / Servicer	SMBC
Asset Trustee	Sumitomo Mitsui Trust Bank
Revolving	Static pool
Format	Domestic trust beneficiary interest
Liquidity	Cash reserve
Interest Payments	Monthly / Fixed coupon
Principal Payments	Monthly / Pass through
Hedging Arrangements	None
Master Trust	Standalone structure
Clean-up Call	10%
Back-up Servicer	Not appointed at closing
Credit Enhancement	Overcollateralisation Senior / subordinate tranching Excess spread
Maximum principal balance	¥ 200million
Loan Term	Up to 35 years
Loan Guarantee	Guaranteed by SMBC Guarantee Co., Ltd.
Senior Tranche Rating	Moody's:Aaa(sf)

Domestic Region*1*2



*1 Pool data as of Apr. 20

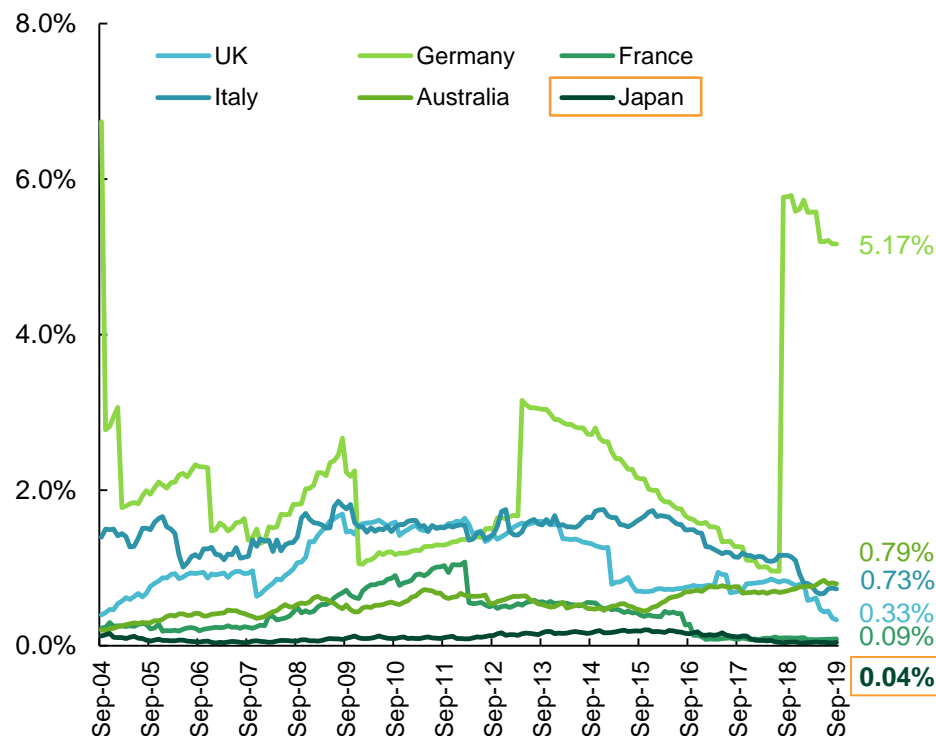
*2 By loan balance

RMBS market: Historical trend of delinquency and prepayment rate

Delinquency rate in the Japanese RMBS market has been low supported by the strong job market and stringent underwriting practices

Current Prepayment rate of Japanese RMBS market is low compared to other developed countries

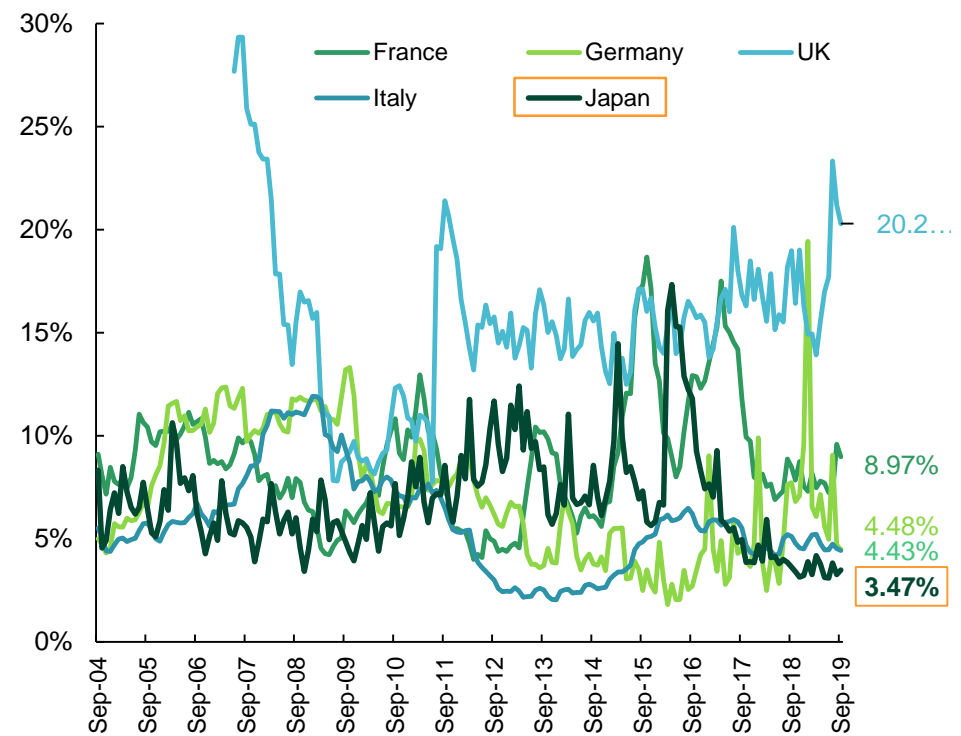
RMBS 90+ days delinquency



Note : Japanese data is calculated based on the formula of "61+ days delinquency ratio (per month) – 61-90 days delinquency ratio (adjusted to per month)", and 61-90 days delinquency ratio (adjusted to per month) is calculated based on the formula of "61-90 days delinquency ratio (per annual) / 12"

Source : Moody's

Prepayment rate



Note : UK data between October 2004 and May 2007 is not available

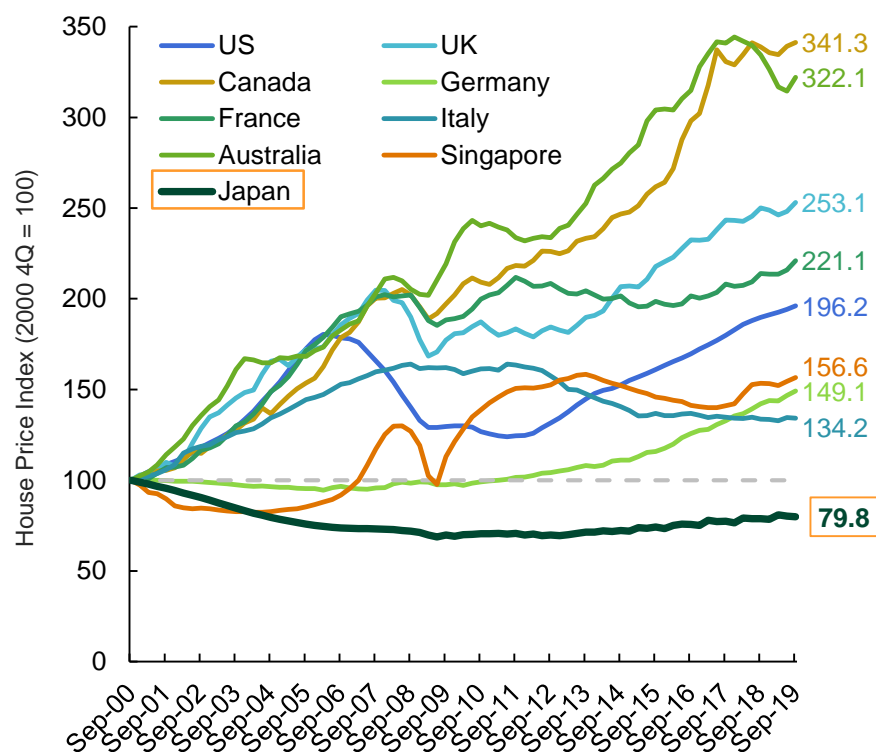
Source : Moody's

Housing market developments

Japanese house prices have been stable with limited impact of the global financial crisis compared to other developed countries, and are now in an upward trend

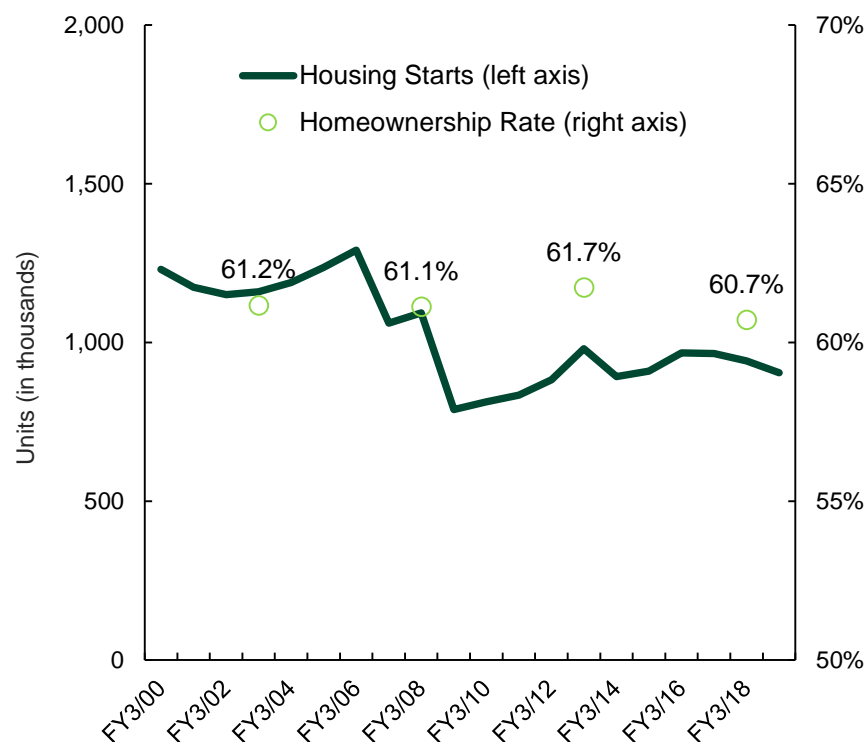
Housing starts is recovering gradually since the financial crisis and homeownership rate has been stable at approx. 60%

House prices



Source : Bank for International Settlements

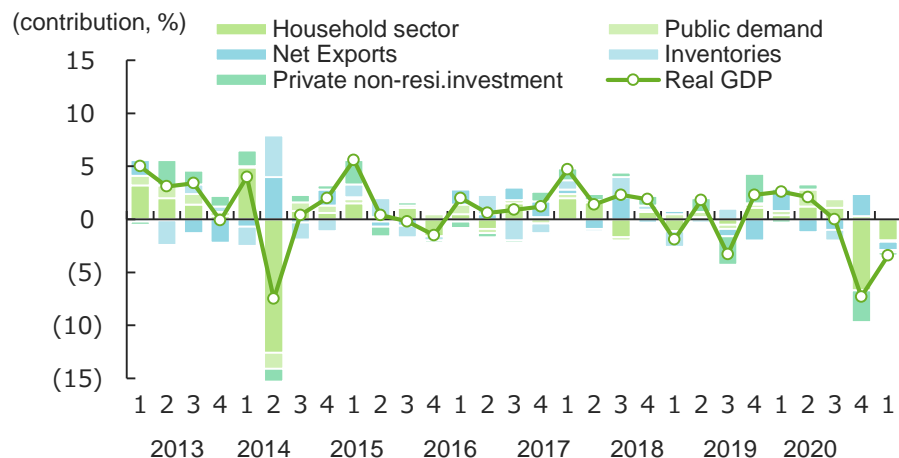
Housing starts / Homeownership rate



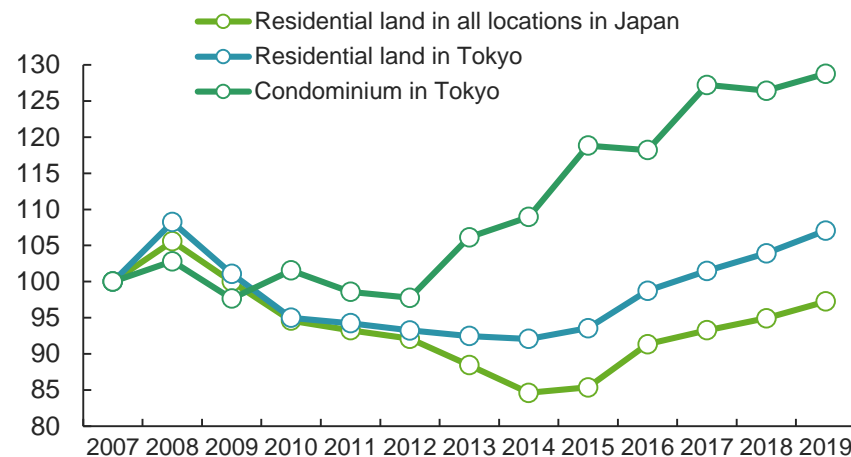
Source : Ministry of Land, Infrastructure, Transport and Tourism, Statistics Bureau, Ministry of Internal Affairs and Communications

Japanese economy

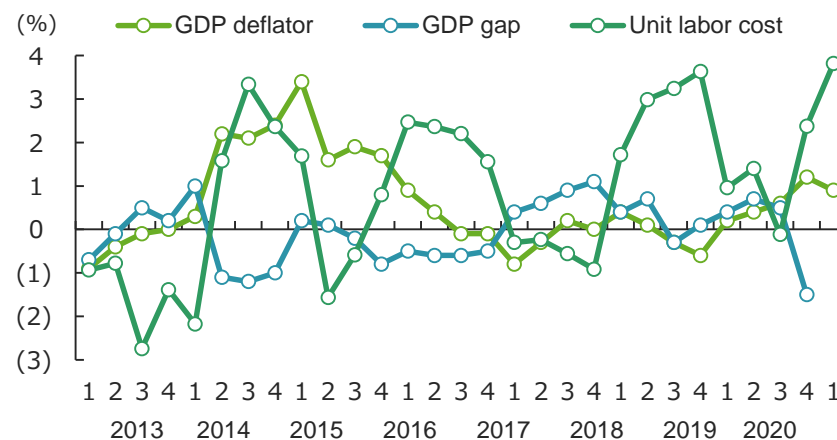
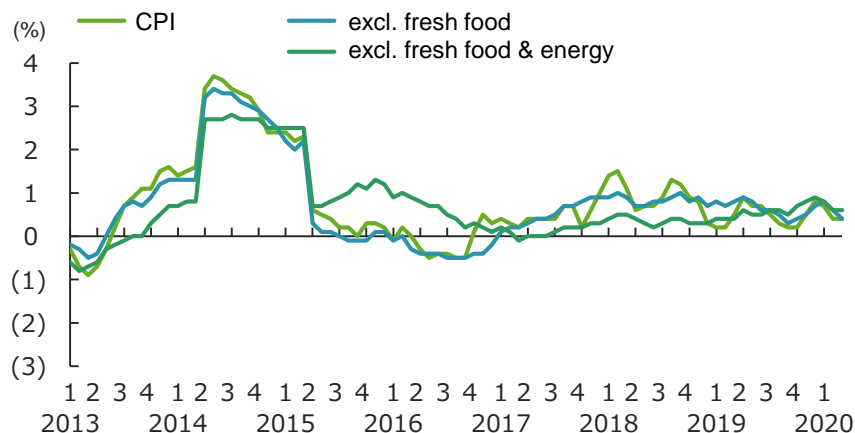
Real GDP growth rate (annualized QOQ change)*1



Residential land and condominiums*2



Indicators to measure progress out of deflation*3



*1 Cabinet Office. Seasonally adjusted series. Household sector = Private consumption + Private residential investment, Inventories = Change in private and public inventory, Public demand = Government consumption + Public investment

*2 Ministry of Land, Infrastructure, Transport and Tourism. Real Estate Economic Institute Co., Ltd.

*3 Statistics Bureau, Cabinet Office and Ministry of Internal Affairs and Communications

Japan's fiscal policy responses to COVID-19

Fiscal year 2020 first supplementary budget plan

Phase	Initiatives	Program Size (JPY tn)	General Expenditures (JPY tn)	Measures
Emergency Phase	Contain pandemic Expand medical care delivery capacity Develop anti-COVID-19 drugs	2.5	1.8	<ul style="list-style-type: none"> Supply masks, disinfectants, etc. Expand testing/medical care capacity Accelerate drug/vaccine development
	Preserve jobs and businesses	88.8	19.5	<ul style="list-style-type: none"> Subsidize credit and extend tax due dates for businesses (including large ones) Distribute cash to SMEs/sole proprietors Distribute cash to households experiencing reduced income
Recovery Phase	Revive economic activity through collaboration between public and private	8.5	1.8	<ul style="list-style-type: none"> Assist tourism, transport & restaurant industries Revitalize regional economies (e.g., aid for farming, forestry, fisheries)
	Build resilient economic structure	15.7	0.9	<ul style="list-style-type: none"> Reconfigure supply chains (repatriate offshored production) Promote digitalization & remote connectivity
	Prepare for the future	1.5	1.5	<ul style="list-style-type: none"> Establish COVID-19 pandemic response reserve fund
Total		117.1	25.6	

Japan's fiscal policy responses to COVID-19 (Cont'd)

Fiscal year 2020 second supplementary budget plan

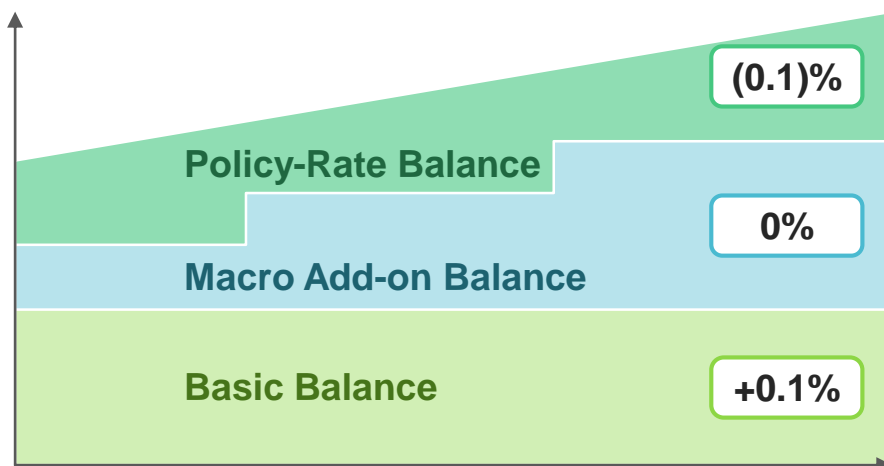
Initiatives	General Expenditures (JPY tn)	Measures
Enhancing the employment adjustment subsidy	0.5	<ul style="list-style-type: none"> • Increase the daily upper limit for the employment adjustment subsidies and expanding the subsidy rate
Enhancing financial support	11.6	<ul style="list-style-type: none"> • Loan to SMEs • Loan to major corporations • Providing capitals
Establishing a rent support grant for SMEs	2.0	<ul style="list-style-type: none"> • Housing support to SMEs/sole proprietors
Supporting medical treatment providers	3.0	<ul style="list-style-type: none"> • Emergency Comprehensive Support Grant For Novel Coronavirus Disease • Distribution of medical masks to medical institutions • Development of medicine and vaccines
Other supports	4.7	<ol style="list-style-type: none"> 1. Expanding of "Special Allocation for Revitalization to Cope with COVID-19" 2. Additional payments to low-income single parent households 3. Enhancing the Subsidy Program for Sustaining Businesses 4. Others
Contingency funds for the COVID-19	10.0	
Total	31.8	

BOJ's monetary policy

Timeline

Apr. 2013	Introduction of the Quantitative and Qualitative Monetary Easing (QQE)
Jan. 2016	Introduction of Negative Interest Rate Policy
Sep. 2016	Introduction of QQE with yield curve control
Jul. 2018	Introduction of forward guidance for policy rates
Apr. 2019	Clarification of forward guidance for policy rates
Oct. 2019	Update of forward guidance for policy rates
Apr. 2020	Enhancement of monetary easing

Three-tier system in current accounts at BOJ



Recent announcements

Apr. 2019

- **Clarification of forward guidance for policy rates**
 - Maintain the current extremely low levels of short- and long-term interest rates for an extended period of time, at least through around spring 2020
- **Implementation of measures contributing to the continuation of powerful monetary easing**
 - Expand eligible collateral for BOJ's provision of credit

Oct. 2019

- **Update of forward guidance for policy rates**
 - Expect short- and long-term interest rates to remain at their present or lower levels as long as it is necessary to pay close attention to the possibility that the momentum toward achieving the price stability target will be lost

Apr. 2020

- **Enhancement of monetary easing**
 - Increase in purchase of CP and corporate bonds
 - Strengthening of the Special Funds-Supplying Operations to Facilitate Financing
 - Further active purchase of JGBs and T-Bills
- **Yield curve control**
 - Purchase a necessary amount of JGBs without setting an upper limit so that 10-year JGB yield will remain at around zero percent.

BOJ's monetary policy responses to COVID-19

BOJ's initiative to support the Japanese economy

- **Measures to facilitate corporate financing**

- Temporary increase in purchase of CP and corporate bonds
- Introduction of special funds-supplying operation by facilitating banks to extend loans to companies affected by COVID-19

- **FX liquidity support to banks**

- Enhance the provision of liquidity via the standing USD liquidity swap line arrangements, in coordination with 6 major central banks

- **Stabilizing financial markets**

- Further active purchases of ETFs & J-REIT as well as JGBs & T-Bills

Initiatives	Notes
CP/Corporate Bond Purchase	JPY 20tn holding limit and up to 5yr maturity until Mar. 2021 (increase from JPY 5.4tn and up to 3yr maturity)
Special funds-supplying operations*	New operation launched in March 2020. BOJ provides loans at the interest rate of 0% with maturity up to one year. In accordance with the outstanding amounts of loans provided through this operation, BOJ will apply a positive interest rate of 0.1% to the average amount of current account balances of financial institutions. Twice as much as the amount outstanding of the loans will be included in the Macro Add-on Balances (the current account balances applied to 0% interest rates) of those institutions.
USD Funds-Supplying Operations	At OIS + 25bps (cut by 25bps) and for both 1-week maturity and 84 days maturity operations (previously only 1-week maturity operations)
ETF/J-REIT purchase	Increase of the purchase amounts at annual paces of up to about JPY 12tn and about JPY 180bn, respectively for the time being. (In principle, about JPY 6tn and JPY 90bn)
JGBs & T-Bills purchase	Purchasing a necessary amounts of JGBs without setting an upper limit for 10-year JGB yields to remain at around zero percent. (Previously purchase at an annual pace of holding amounts increase up to about JPY 80tn)