

Fixed Income Investor Presentation

December 2022

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: the COVID-19 pandemic and collateral events; 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 condition and our operating results, and investors’ decisions.

Exchange rates (TTM)

	The end of Sep. 21	The end of Mar. 22	The end of Sep. 22
USD	JPY 111.95	JPY 122.41	JPY 144.81
EUR	JPY 129.90	JPY 136.81	JPY 142.32

Definitions

SMFG	Sumitomo Mitsui Financial Group, Inc.
SMBC	Sumitomo Mitsui Banking Corporation
SMBC Trust	SMBC Trust Bank
SMFL	Sumitomo Mitsui Finance and Leasing
SMBC Nikko	SMBC Nikko Securities
SMCC	Sumitomo Mitsui Card Company
SMBCCF	SMBC Consumer Finance
SMDAM	Sumitomo Mitsui DS Asset Management
SMBCAC	SMBC Aviation Capital
Major local subsidiaries	SMBC Bank International, SMBC Bank EU, SMBC (China)
Consolidated	SMFG consolidated
Non-consolidated	SMBC non-consolidated
Expenses (non-consolidated)	Expenses excluding non-recurring losses
Net business profit	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

Agenda

Results

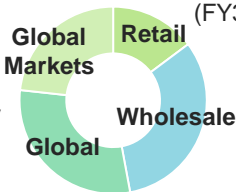
- Key credit messages
- Financial results
- Balance sheet and loan balance
- Loans
- Asset quality

Funding & Capital

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

Key credit messages

(Consolidated, unless otherwise indicated, 1H FY3/23)

Strong and diversified earnings capability	USD 5.8 bn SMFG's profit attributable to owners of parent*1	Breakdown of consolidated net business profit by business unit 
Sound loan portfolio	0.99% SMFG NPL ratio	0.72% SMBC NPL ratio (non-consolidated)
Robust liquidity	58.8% Loan to deposit ratio	130.2% LCR (average Jul. – Sep. 22)
Sound capital position	13.69% CET1 ratio (Transitional basis)	15.63% Total capital ratio
High credit ratings	A1 / A1 SMBC/SMFG Moody's rating	A / A- SMBC/SMFG S&P rating (As of Oct. 31, 2022)

*1 Converted into USD at period-end exchange rate

1H FY3/2023 financial results

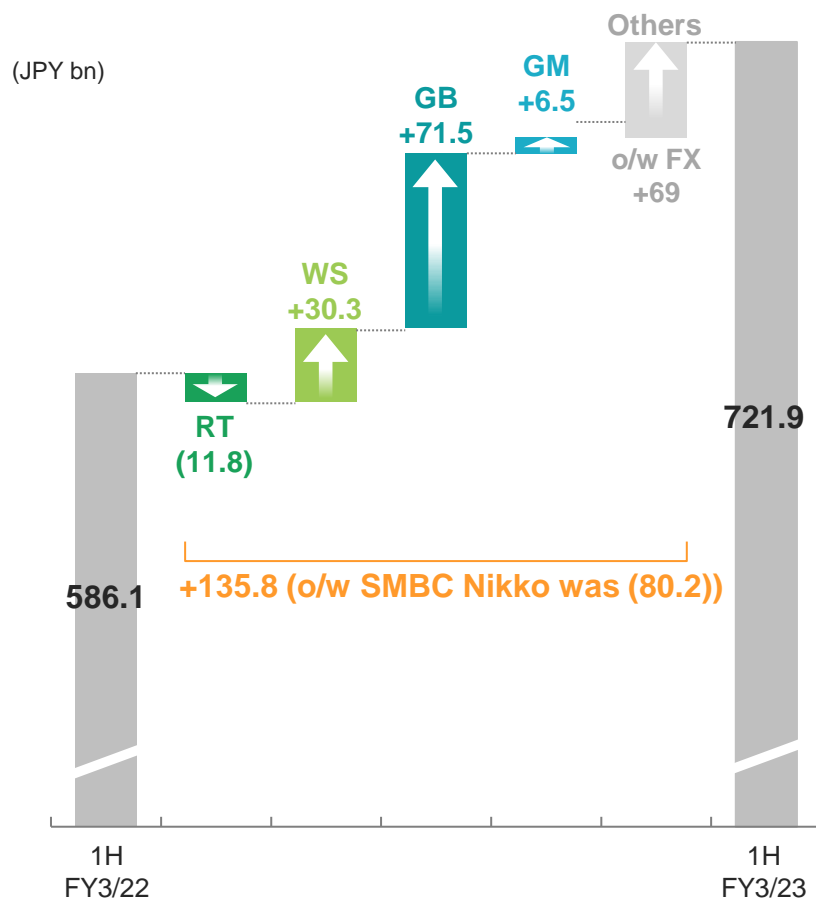
	(JPY bn)	1H FY3/23	YoY (%)
1 Consolidated gross profit		1,632.4	+201.1 +14.0%
2 G&A expenses		962.6	+86.6 +9.9%
Overhead ratio		59.0%	(2.2)% -
3 Equity in gains (losses) of affiliates		52.1	+21.4 +69.5%
4 Consolidated net business profit		721.9	+135.8 +23.2%
5 Total credit cost		83.1	+56.5 +211.7%
6 Gains (losses) on stocks		92.1	+10.9 +13.5%
7 Other income (expenses)		(4.8)	+5.8 (54.6%)
8 Ordinary profit		726.1	+96.0 +15.2%
9 Extraordinary gains (losses)		(1.4)	+1.9 (57.3%)
10 Income taxes		193.7	+26.3 +15.7%
11 Profit attributable to owners of parent		525.4	+69.4 +15.2%
12 ROE		10.3%	+0.9%

- **Consolidated gross profit:** increased YoY due to
1) loan growth and related transactions in WS and GB, and
2) strong performance of payment business.
Impact of FX: +122
- **G&A expenses:** increased YoY mainly due to consolidation of Fullerton India, as well as higher variable marketing cost of SMCC, which is successfully increasing new customers.
Impact of FX: +60
- **Equity in gains of affiliates:** increased YoY mainly due to gains on change in equity of Bank of East Asia.
- **Total credit cost:** was managed to be lower than forecast, because the increase of newly built reserve was offset by reversals.
- **Gains on stocks:** increased due to gains on sales of strategic shareholdings (68, YoY +32), while ETF sales decreased.

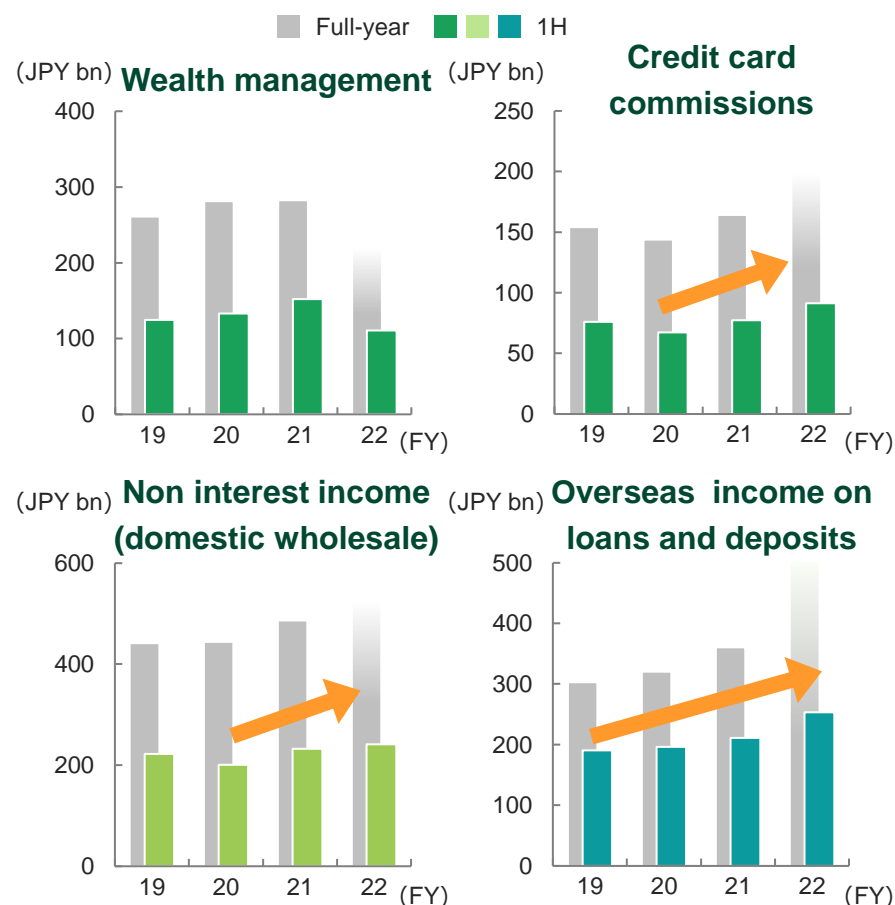
Consolidated net business profit

Recorded the highest 1H result on record: JPY 721.9 bn (YoY +135.8). Profit decline in SMBC Nikko and the wealth management business was offset by strong growth of other businesses.

Breakdown of YoY



Business (Gross profit)

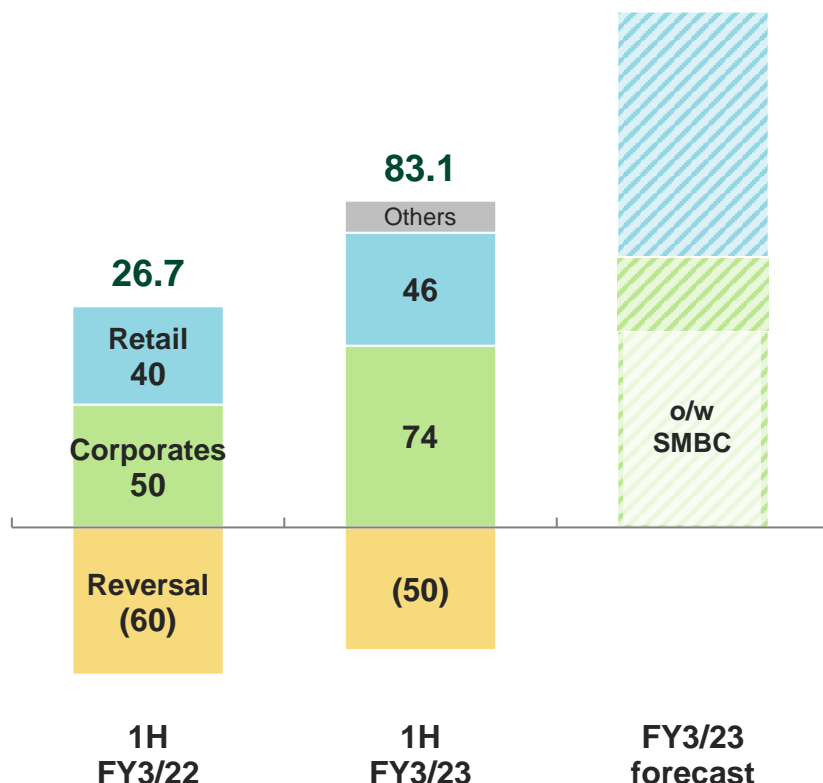


Credit costs / Financial impact from Russia

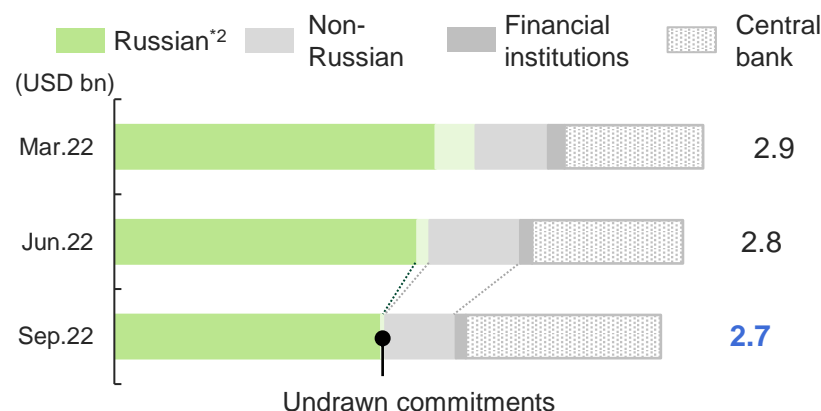
Credit cost in 1H increased YoY, but was managed to be lower than forecast for 1H FY3/23.

Credit costs

(JPY bn)



Banking exposure to Russia*1



Aircraft leasing

- Impairment of aircraft: JPY 47 bn in FY22 (52% of NBV– after net guarantee deposit, etc)
- Downside: Additional impairment (≤USD 460 mn*3)
- All aircraft are insured, insurance claims have been submitted

*1 Managerial accounting basis. Loans, commitment lines, guarantee investments, etc. of SMBC and local subsidiary calculated based on ultimate risk countries

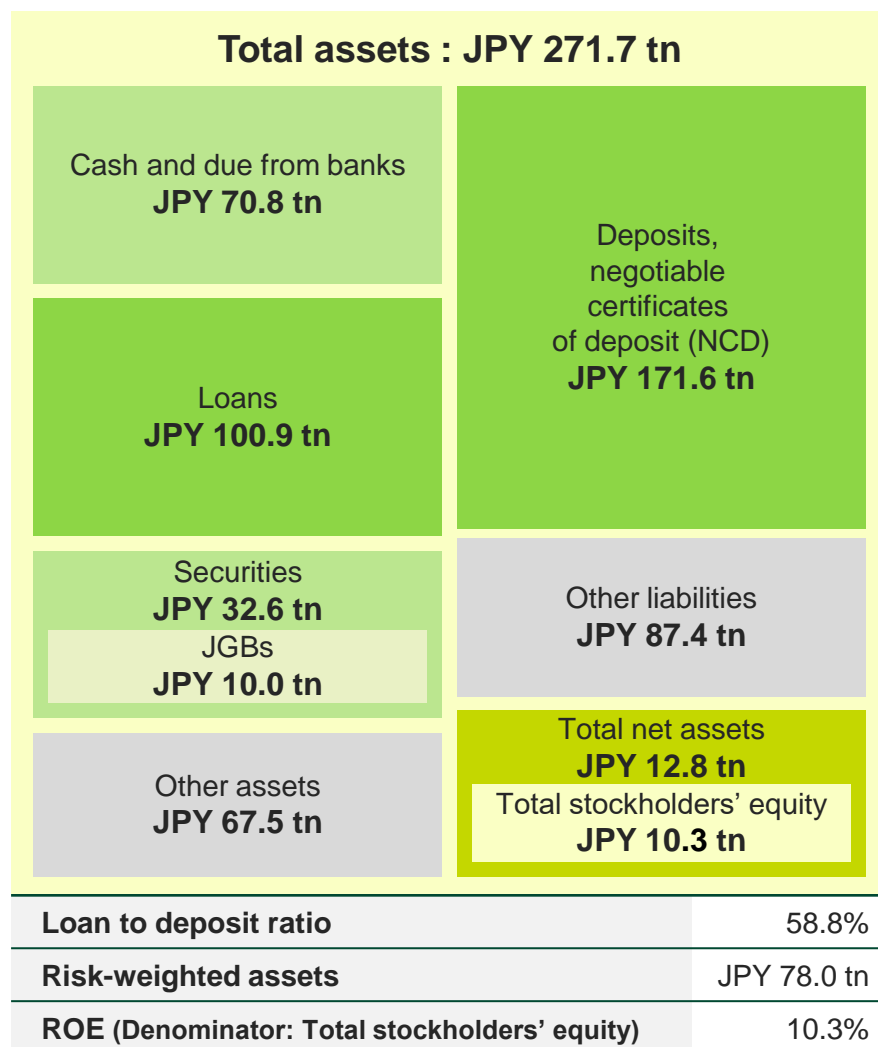
*2 Including project finance and ship finance

*3 After considering tax and ownership ratio (66%)

Balance sheet and loan balance

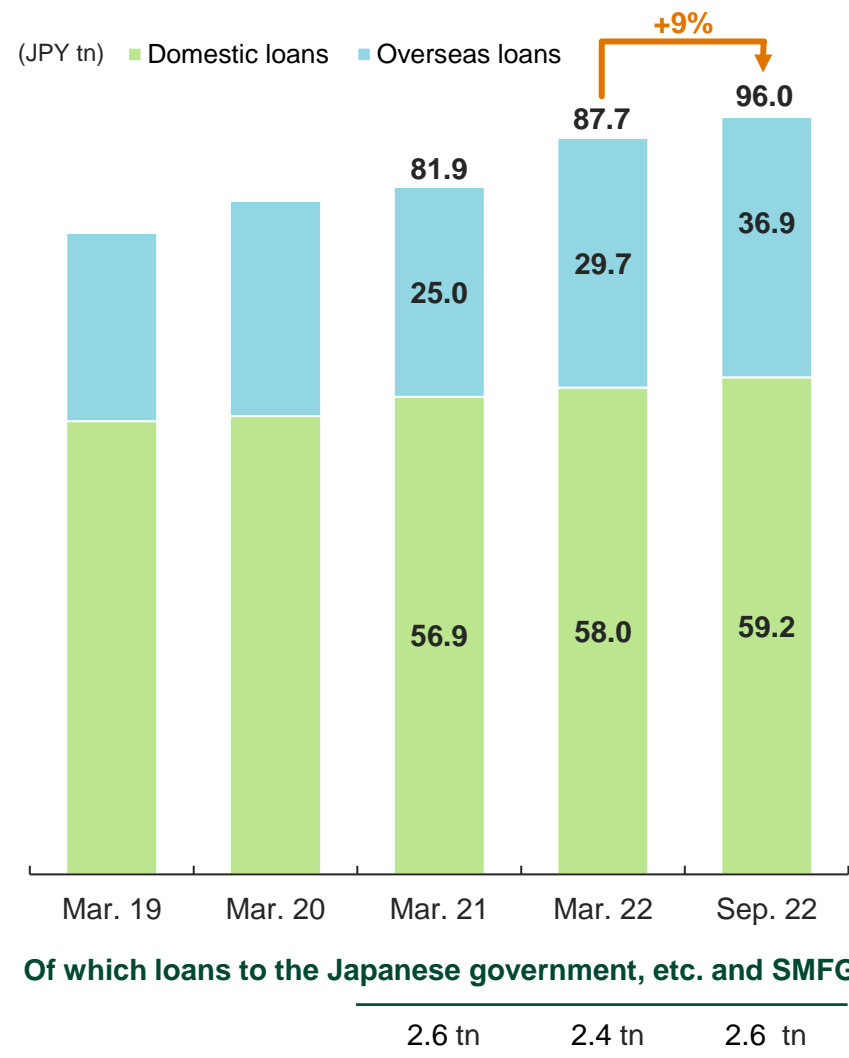
Balance sheet (as of Sep. 22)

(Consolidated)



Loan balance

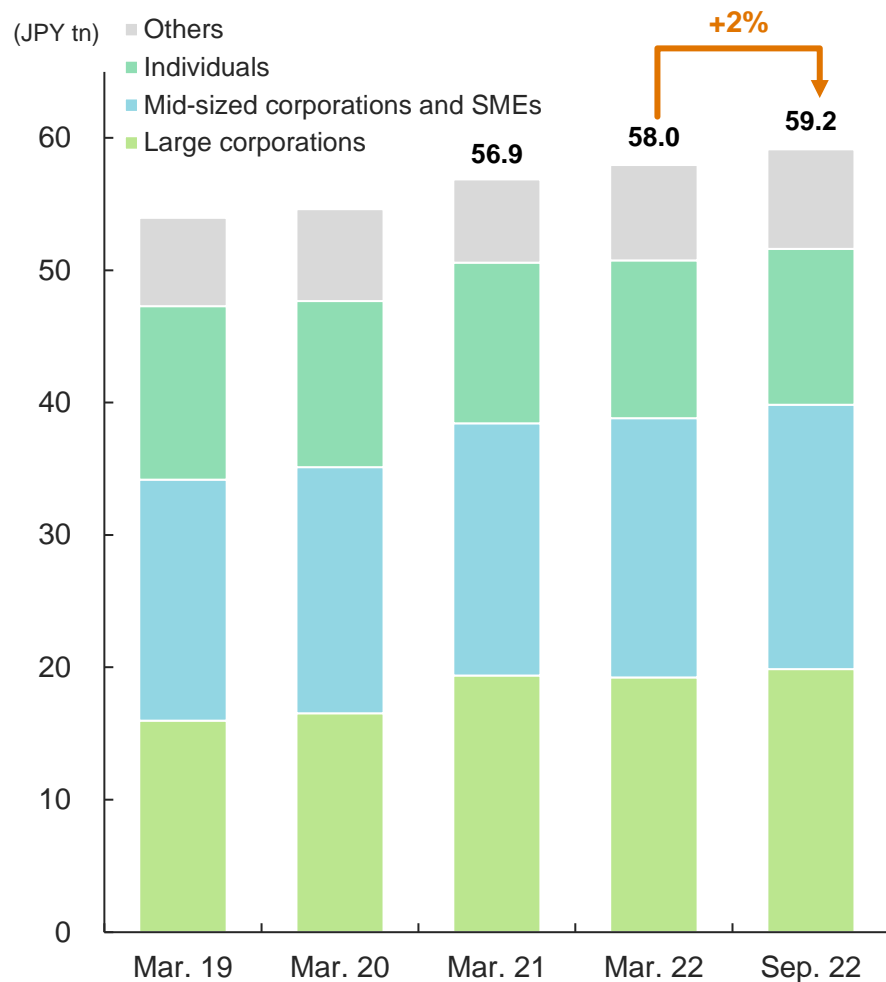
(Non-consolidated)



Domestic loans*1

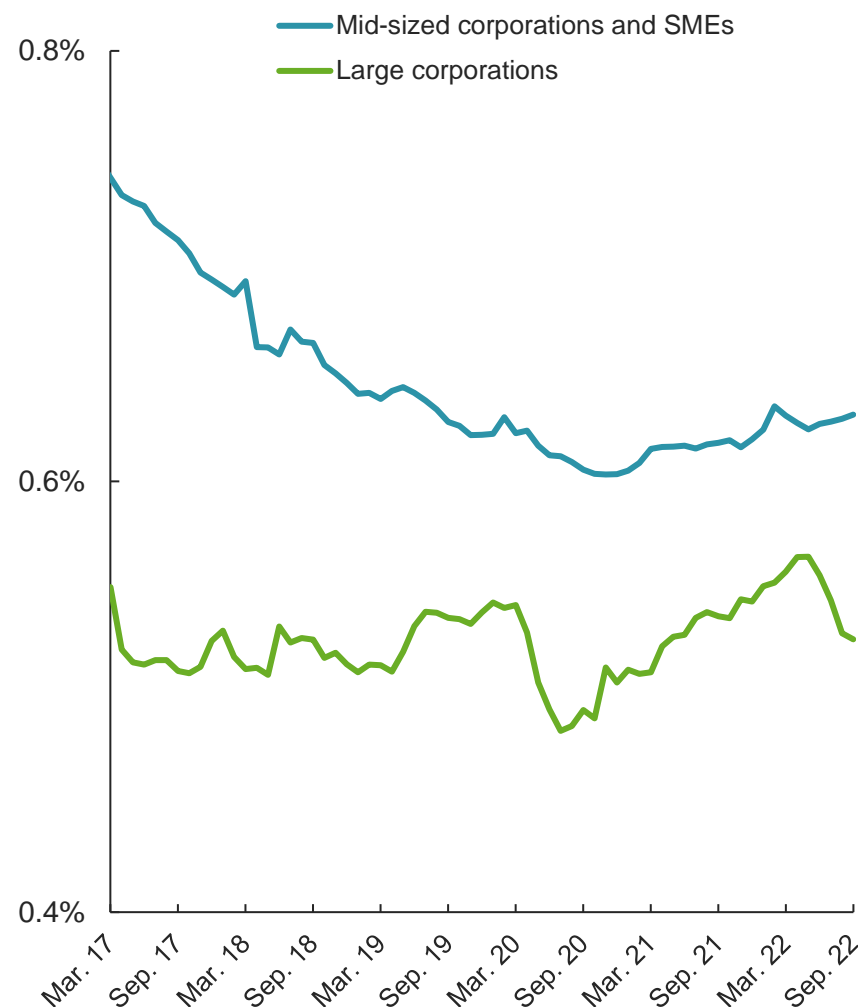
Balance

(Non-consolidated)



Spread*2

(Non-consolidated)

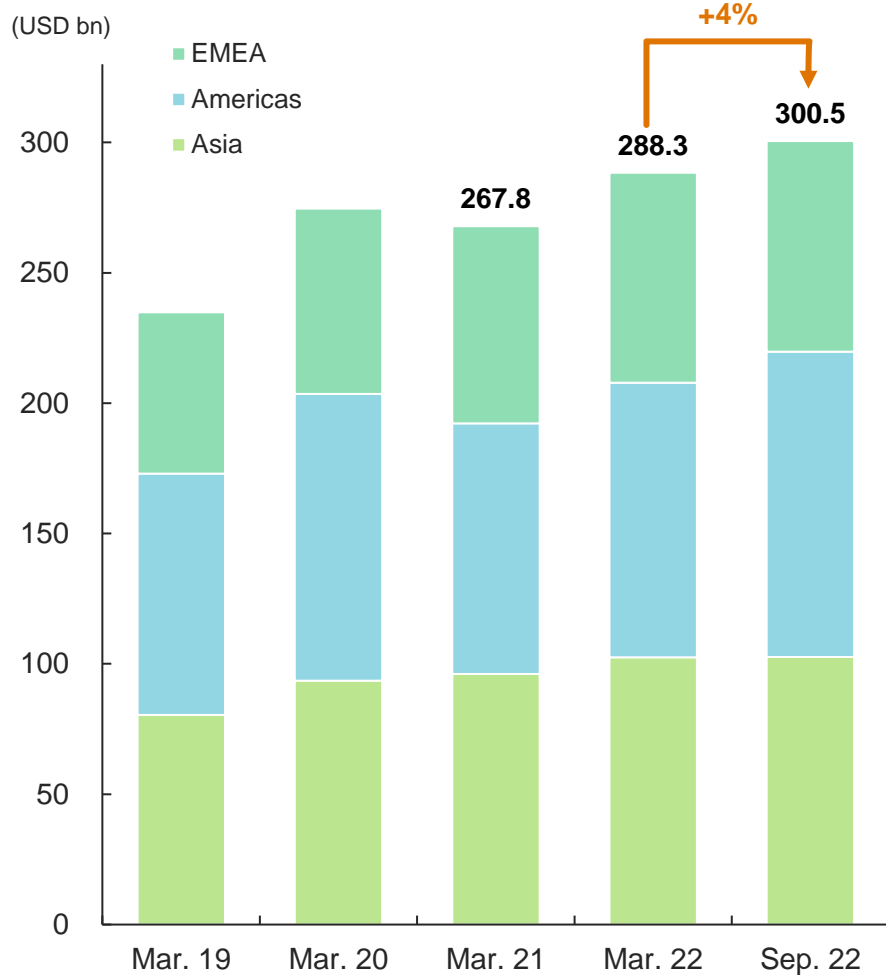


*1 Managerial accounting basis

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

Overseas loans^{*1}

Balance



Spread^{*2}

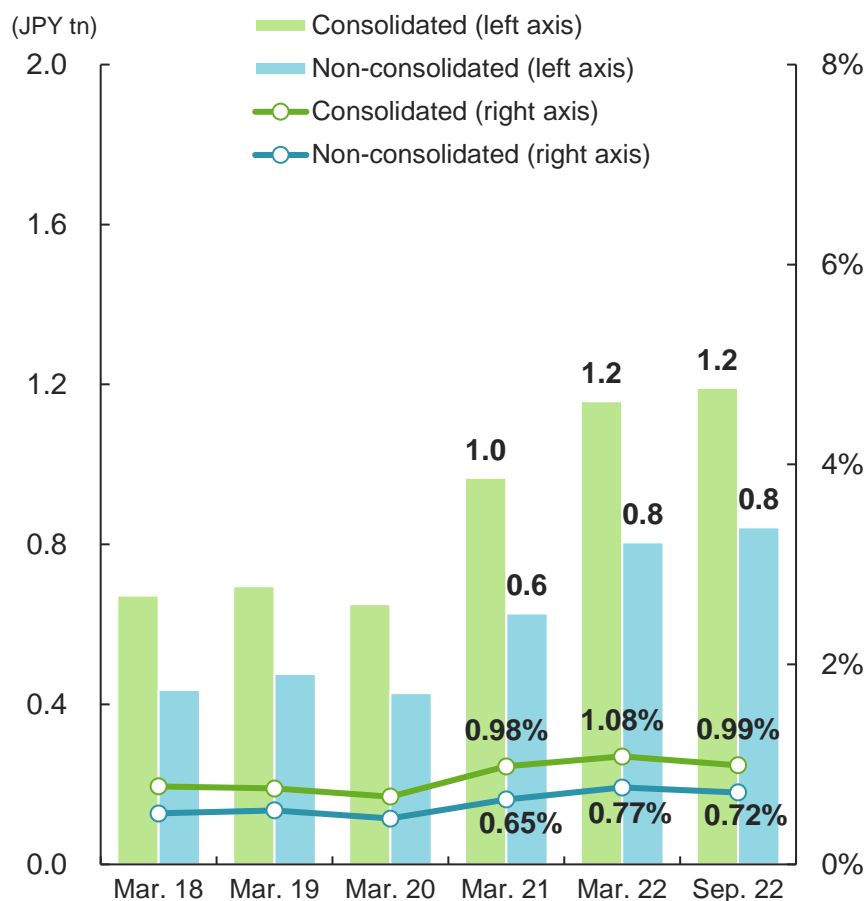


^{*1} Includes trade bills. Managerial accounting basis, translated into USD at respective period-end exchange rates.
Sum of SMBC and Major local subsidiaries

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

Asset quality – solid loan portfolio

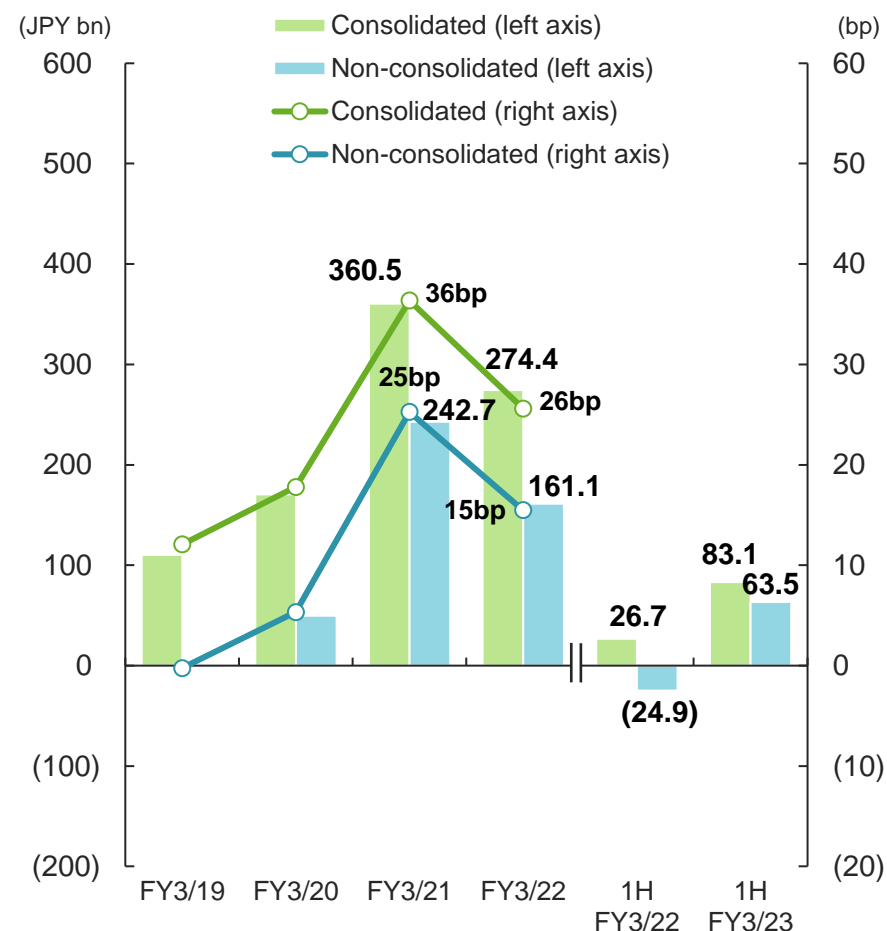
NPLs and NPL ratio*1



Coverage ratio*3

Consolidated	66.98%	74.54%
Non-consolidated	79.64%	86.06%

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

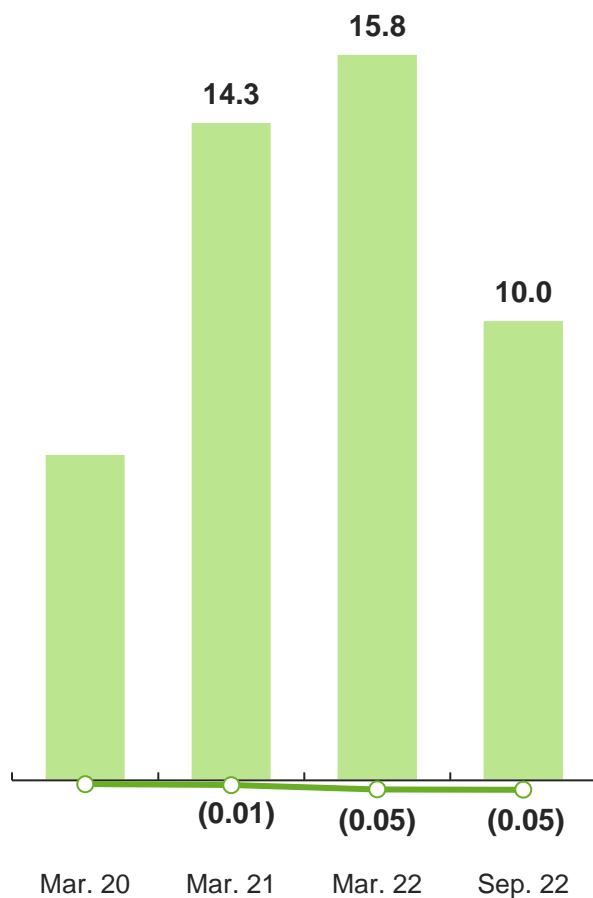
*3 Ratio of the collateral, guarantees and specific and general reserves to total NPLs

Asset quality – securities portfolio*1

(Non-consolidated)

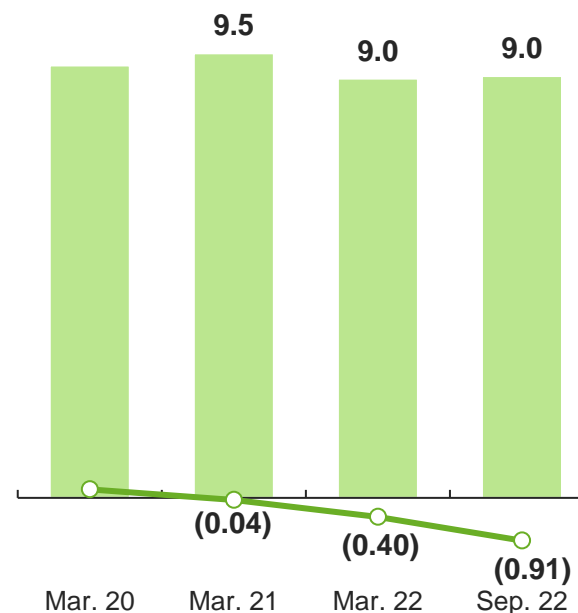
JGBs

(JPY tn) JGBs
Net unrealized gains (losses)



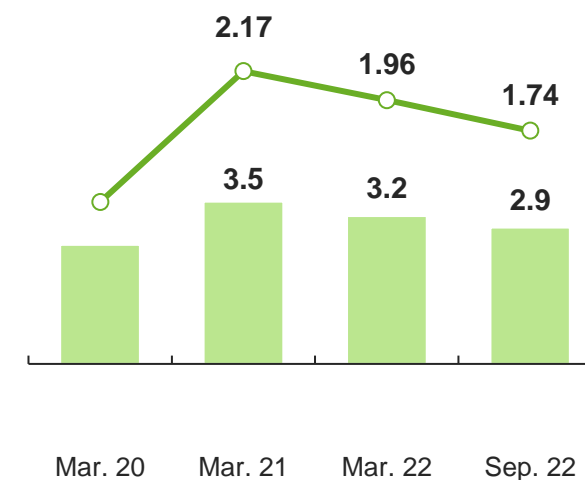
Foreign bonds

(JPY tn) Foreign bonds
Net unrealized gains (losses)



Stocks

(JPY tn) Stocks
Net unrealized gains (losses)



*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 Non-consolidated balance sheets

Agenda

Results

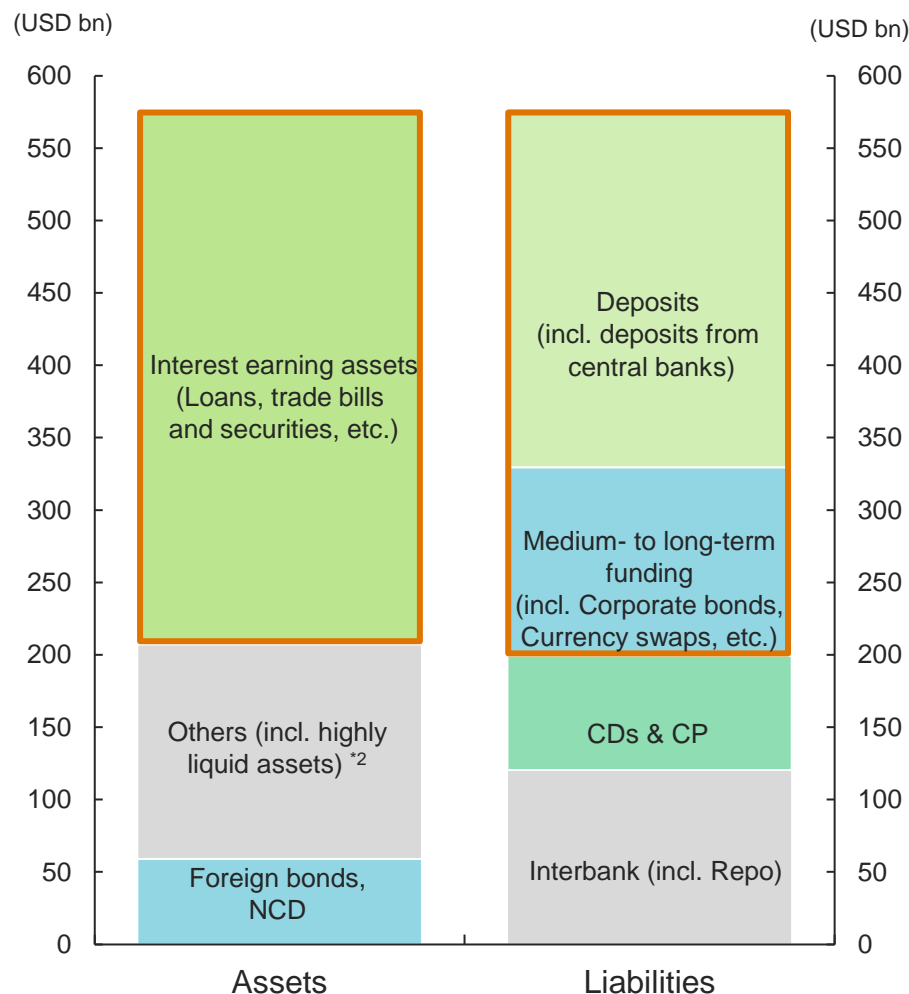
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Funding & Capital

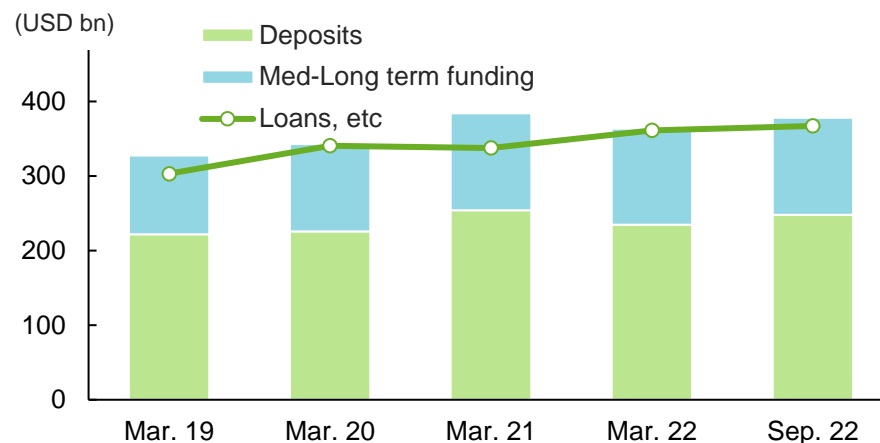
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Foreign currency assets and funding

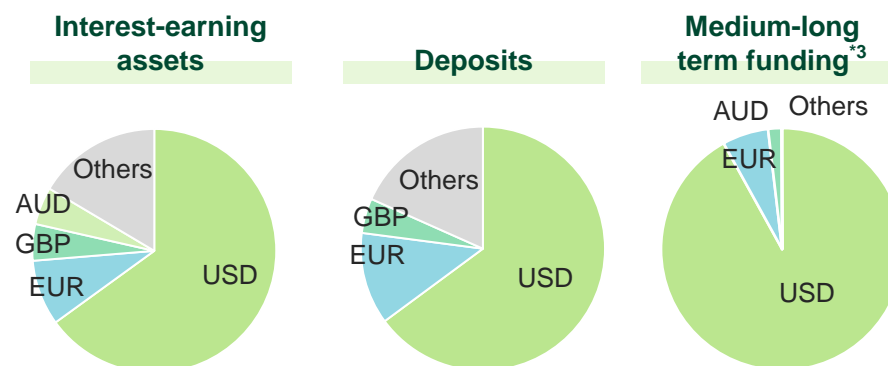
Non-JPY Balance Sheet Overview ^{*1} (as of Sep. 22)



Non-JPY Balance Sheet Development



Currency Breakdown (as of Sep. 22)

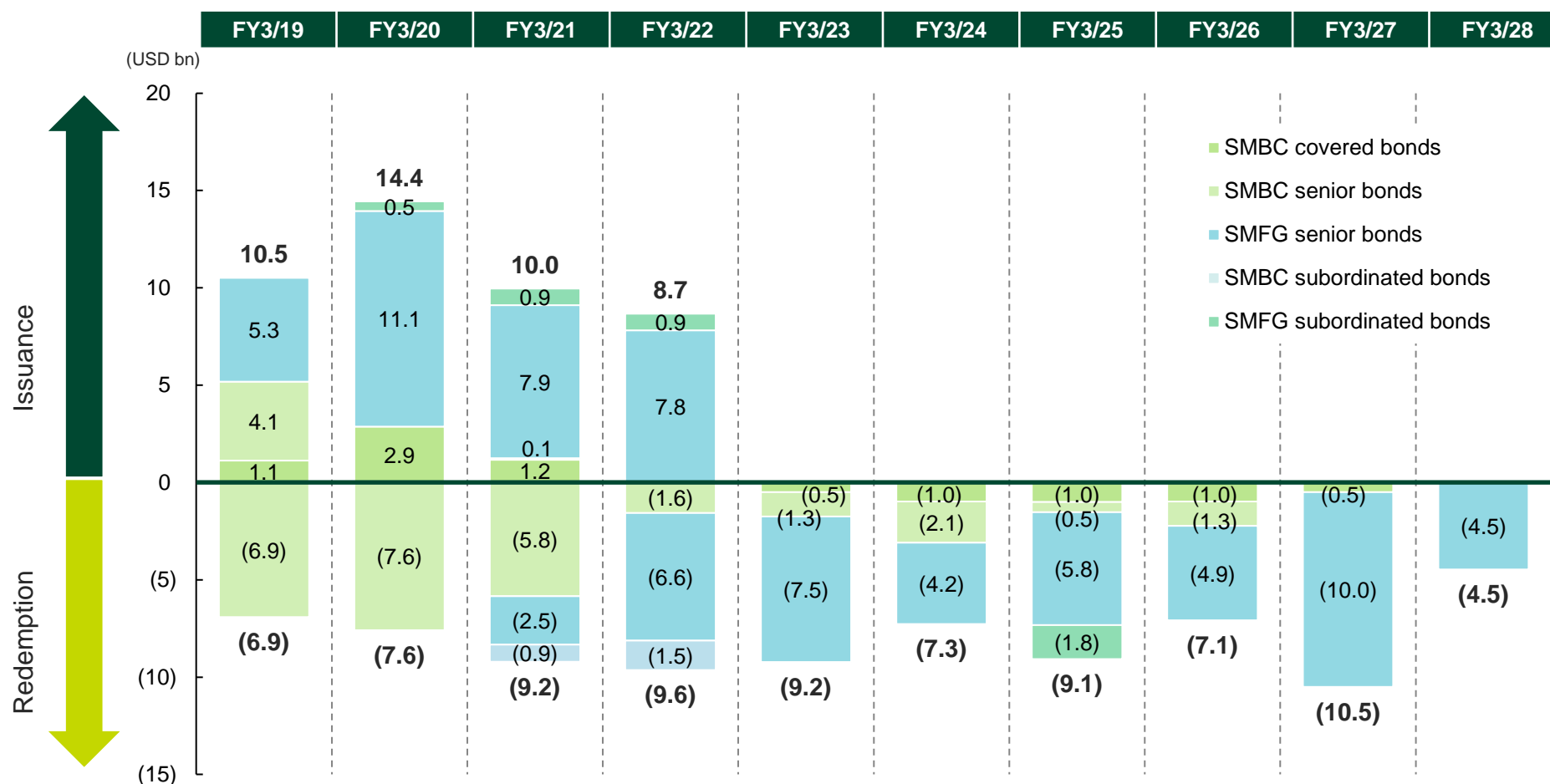


^{*1} Managerial accounting basis. Sum of SMBC and major local subsidiaries ^{*2} Deposits placed with central banks, etc.

^{*3} Excludes JPY funding, certificate of deposits and transferable deposits. Among all bonds priced by Sep. 22, only includes issuance with original maturity of two years or more and its tap issue as of Sep. 22. Translated into USD at the exchange rates as of the end of Sep. 22.

Foreign currency issuances and redemptions

Non-JPY issuances and redemptions*1

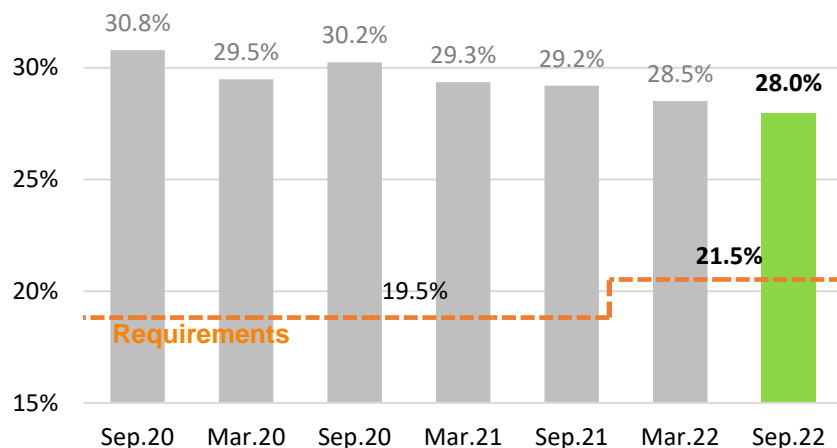


*1 The sum of SMFG and SMBC, each on a non-consolidated basis. Excludes JPY funding, certificate of deposits and transferable deposits. All redemptions were, or are expected, at maturity other than for callable bonds, which were, or are expected to be, redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Among all bonds priced by Sep. 22, only includes issuance with original maturity of two years or more and its tap issue as of Sep. 22. Translated into USD at the exchange rate as of the end of each period for FY3/19-FY3/22, and as of Sep. 22 for FY3/23-FY3/28

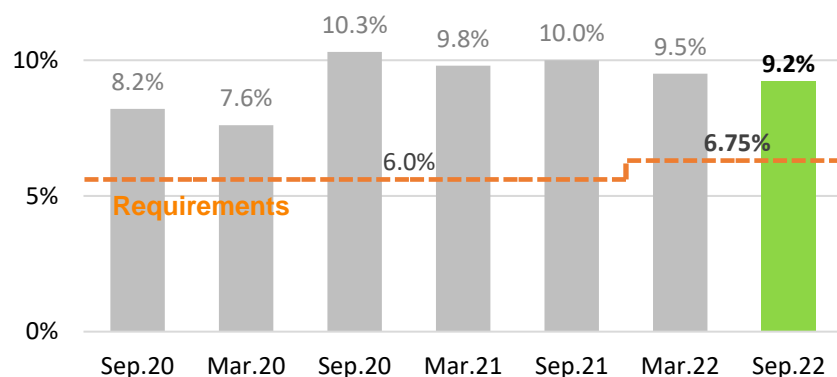
TLAC ratio and requirements

TLAC ratio

Risk-weighted assets basis



Leverage exposure basis



TLAC ratio (transitional basis)

	(JPY bn)	Sep. 2022
External TLAC	A	21,819.7
Risk-weighted assets (RWA)	B	77,971.4
TLAC ratio (RWA basis) (A/B)	C	27.98%
Capital buffers (including CCyB)	D	(3.53%)
Ref: TLAC ratio of RWA (C-D)	E	24.45%
Leverage exposure (LE)	F	236,237.4 ^{*1}
TLAC ratio (LE basis) (A/F)	G	9.23%

Requirements

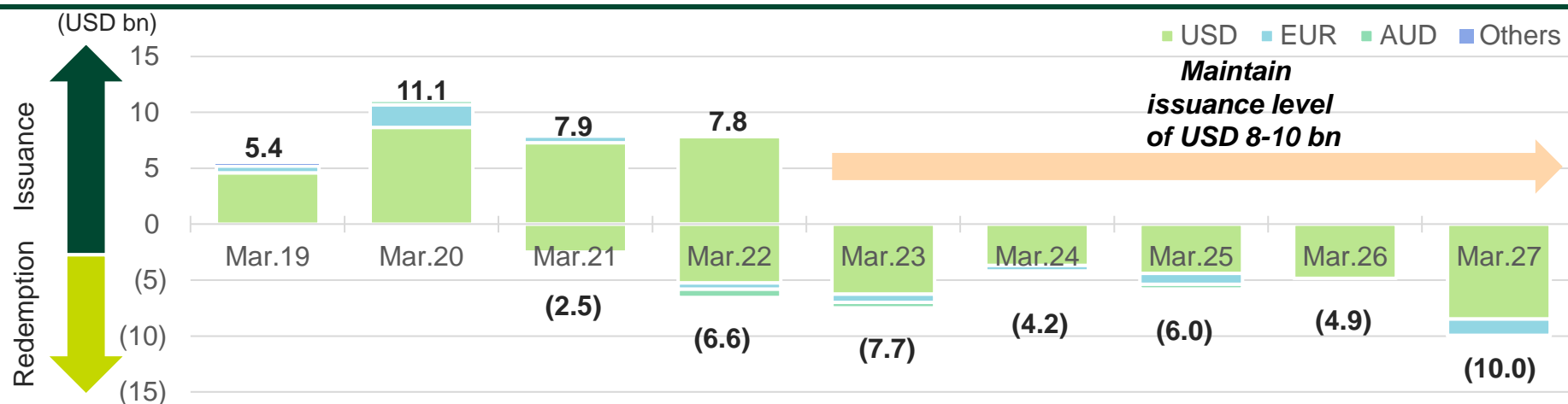
Minimum external TLAC (RWA basis)	18%
+ capital buffers ^{*2}	+3.5%
Effective level of minimum external TLAC (RWA basis)	21.5%
Minimum external TLAC (LE basis)	6.75%

*1 LE excludes deposits with the Bank of Japan under the FSA's temporary relief on leverage ratio calculation from Jun. 20 until Mar. 24.

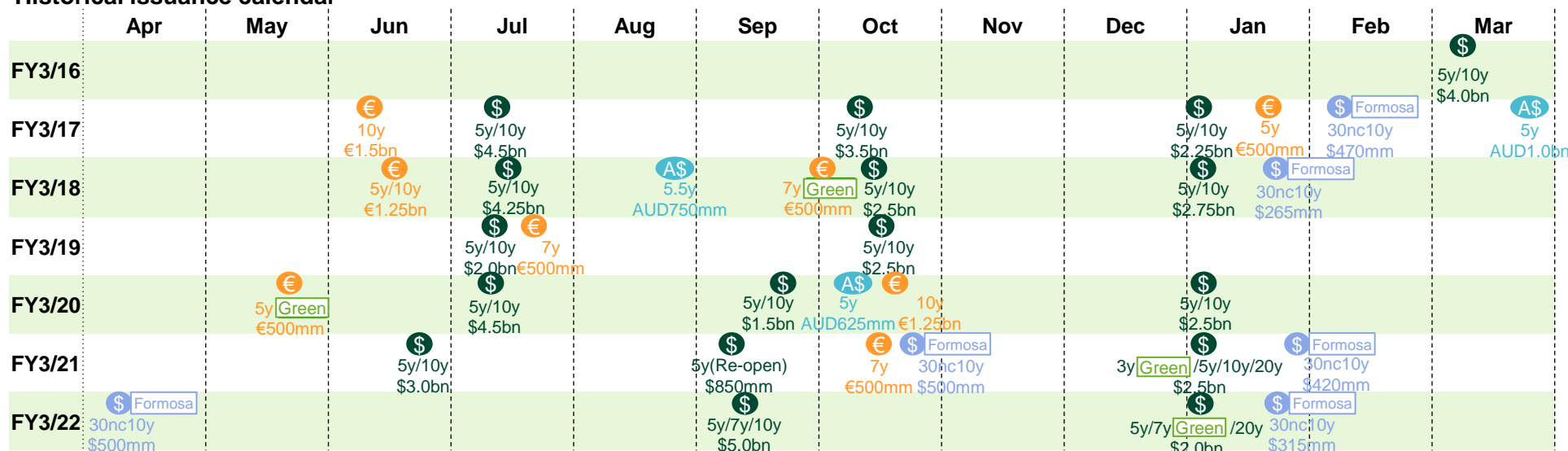
*2 Excludes countercyclical buffer (CCyB) for RWA requirements. As for the G-SIB buffer, SMFG was allocated to bucket 1 according to the latest list published by the FSB

TLAC Issuance Results and Strategy

TLAC issuances and redemptions*1



Historical issuance calendar*2

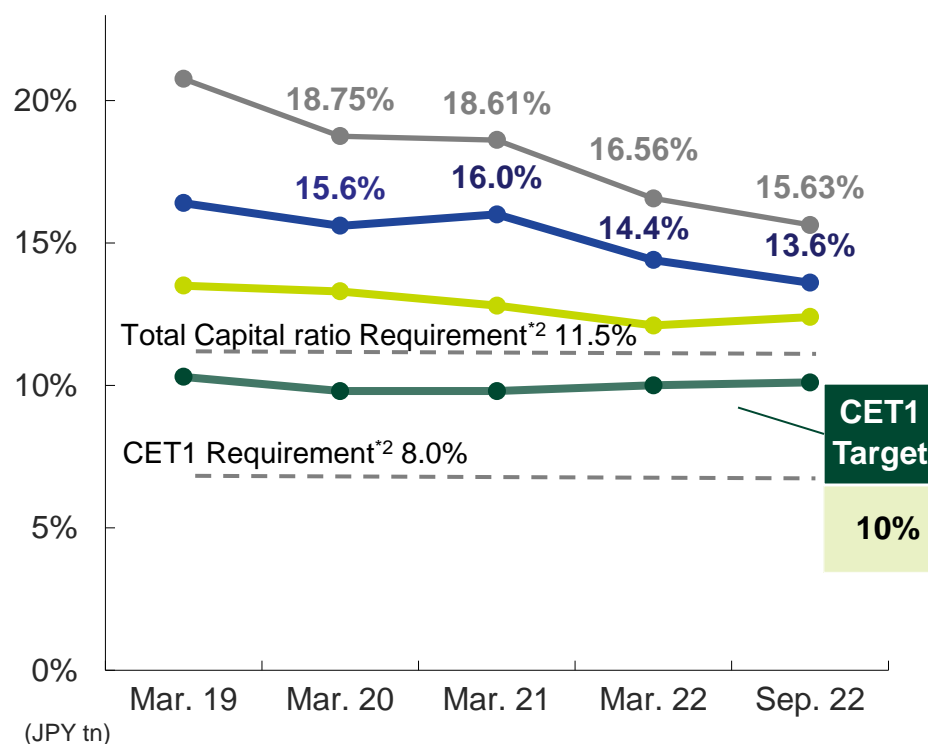


*1 The sum of SMFG Senior Bonds issuances and redemptions. All redemptions were, or are expected, at maturity other than for callable bonds, which were, or are expected to be, redeemed at their respective 1st call dates, while there is no assurance they will be redeemed at such time. Among all bonds priced by Sep. 22, only includes issuance with original maturity of two years or more and its tap issue as of Sep. 22. Translated into USD at the exchange rate as of the end of each period for FY3/19-FY3/22, and as of Sep. 22 for FY3/23-FY3/27 *2 Based on pricing date.

Capital

Capital Ratio*1

- Total capital ratio
- CET1 ratio (Transitional basis)
- CET1 ratio (Transitional basis, excl. net unrealized gains)
- CET1 ratio (Finalized Basel 3 basis, excl. net unrealized gains)



RWA 58.9 61.6 66.0 72.4 78.0

Capital Strategy

Tier 2 capital	JPY 0.8 tn (1.0%) (as of Sep.22)	<ul style="list-style-type: none"> Since our CET1 ratio well exceeds the required level and we keep sufficient buffer for Tier1 and total capital ratio as well, we can accept even if AT1 or Tier2 are below 1.5% and 2.0% respectively.
AT 1 capital	JPY 0.7 tn (0.9%) (as of Sep.22)	
CET 1 capital	<ul style="list-style-type: none"> CET 1 ratio target (Finalized Basel III basis excl. net unrealized gains) : 10% CET 1 capital ratio remains target level. 	

Recent Deals (Subordinated)

Security type	Issue date	Amount	Tenor	Coupon
AT1	Jan. 27, 2022	JPY 80 bn	PerpNC10	0.840%*3
Tier 2 (USD)	Sep. 17, 2021	USD 850 mn	20y	2.930%

*1 CET1 ratio that (a) includes the impact of RWA inflation expected post the Basel III reforms and (b) is calculated with CET1 excluding net unrealized gains on other securities and RWA excluding RWA associated with net unrealized gains on stocks

*2 Excluding countercyclical buffer

*3 Reset at 5y JGB+70bp every 5 years after the first call date

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

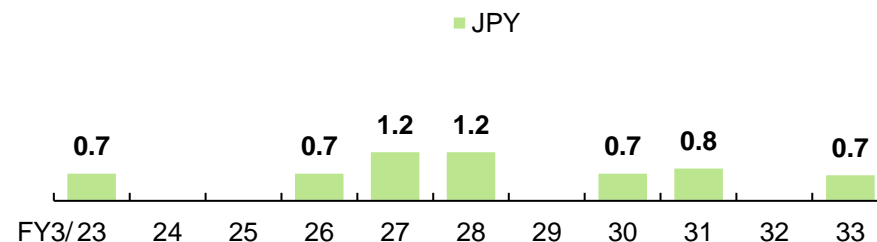
Recent issuances and maturity profile

Recent issuances (AT1/Tier 2)

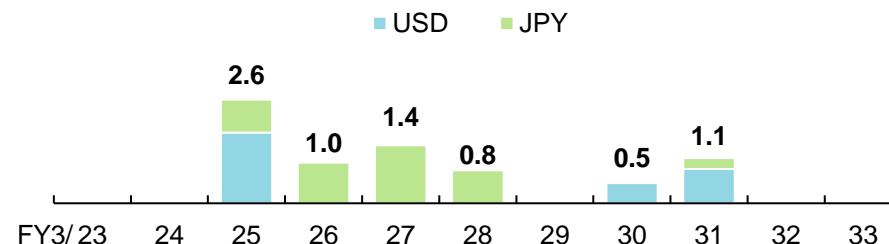
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Tier 2 (USD)	Sep. 17, 2021	USD 850 mn	20y	2.930%

Maturity profile by debt class^{*2}

• AT1 (USD bn)



• Tier 2 (USD bn)



^{*1} Reset at 5y JGB+70bp every 5 years 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. Include all bonds priced by Sep. 22. Translated at the exchange rate as of Sep. 22

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 Oct. 31, 2022)

Moody's

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

S&P

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

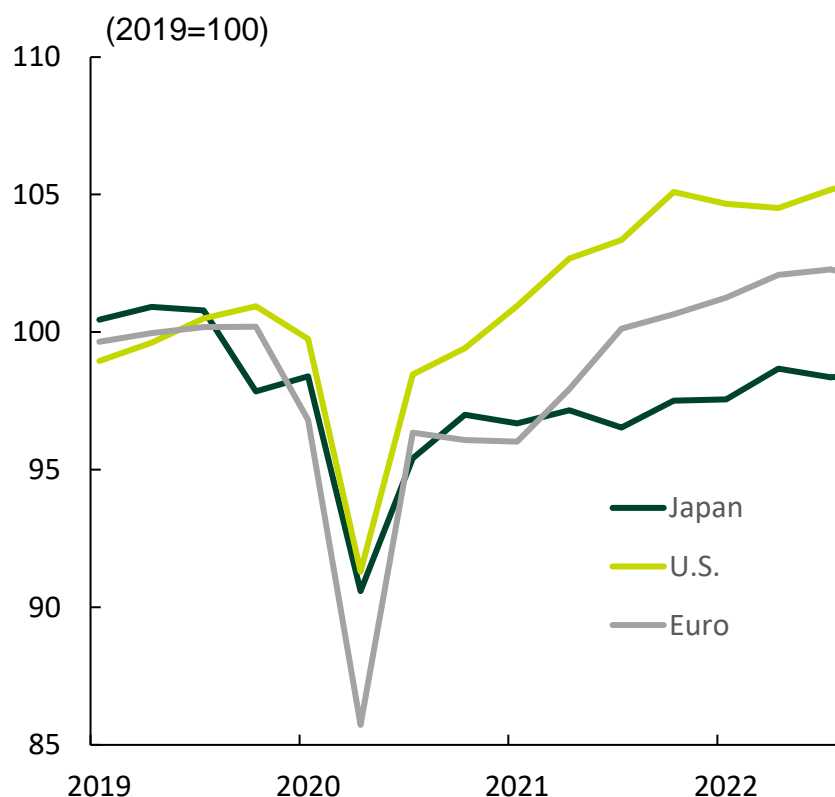
*1 For DB and BNP, OpCo senior notes and TLAC eligible senior notes mean preferred senior notes and non-preferred senior notes, respectively

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

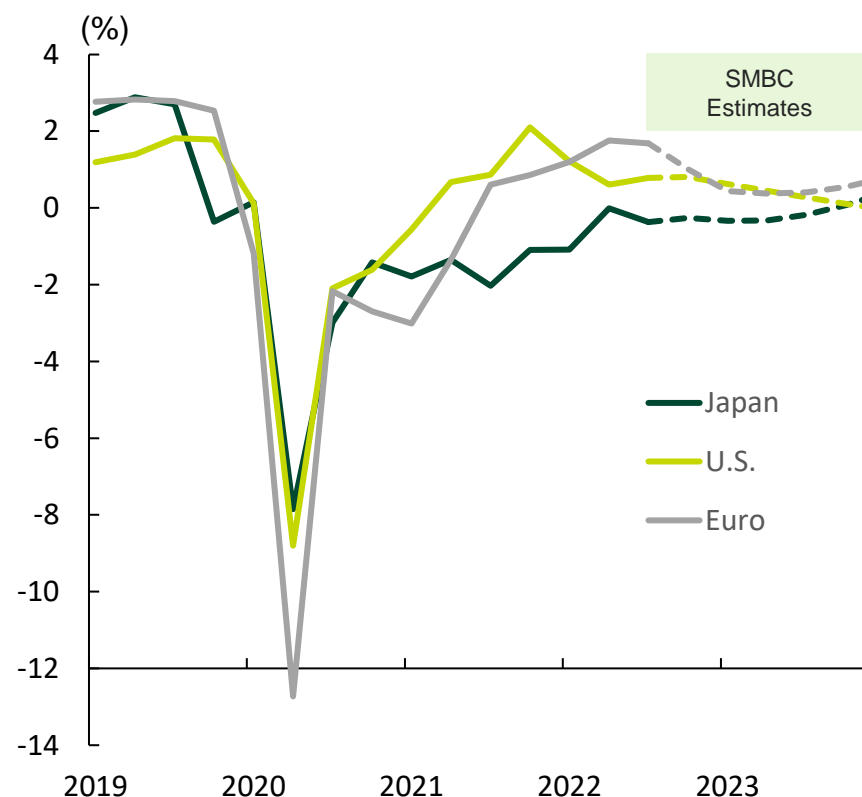
Comparison of GDP & Output Gap

- In terms of GDP levels, Japan recovered to pre-pandemic levels in 1H FY3/23. Recovery in Japan is slow because both the government and the people are very cautious about COVID-19. Recovery is just at the beginning.
- On the other hand, the U.S. and the Eurozone have returned to pre-pandemic economic activity. Rather, there are concerns about a near-term slowdown in the economy against the backdrop of high current inflation.

GDP level*1



Output gap*1

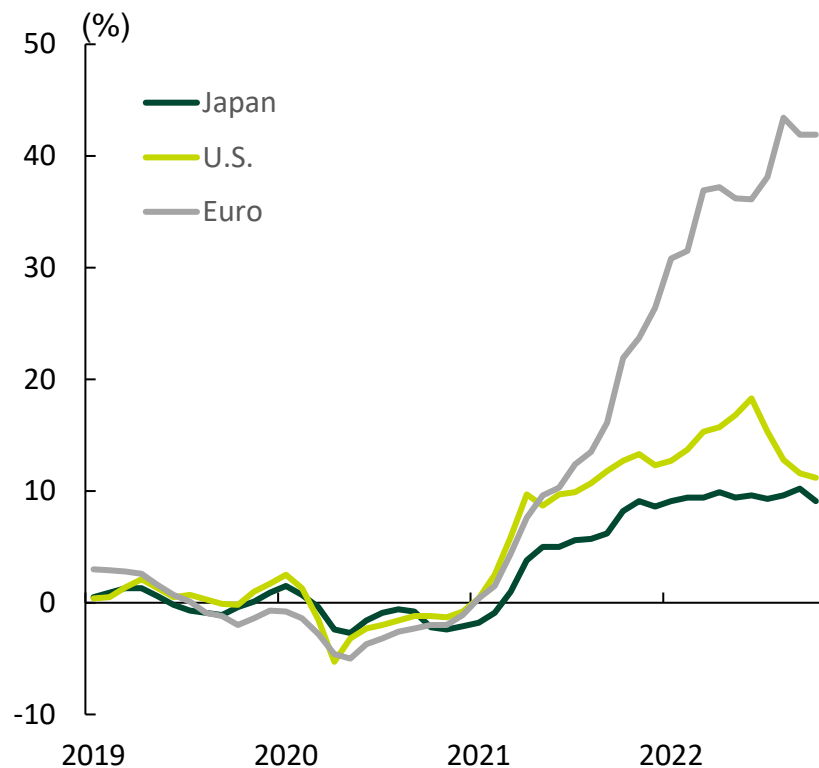


*1: Cabinet Office (CAO), Congressional Budget Office (CBO), Bloomberg, SMBC. Including SMBC Treasury Unit's own estimate as of Nov. 15, 2022

Comparison of inflation (1/2)

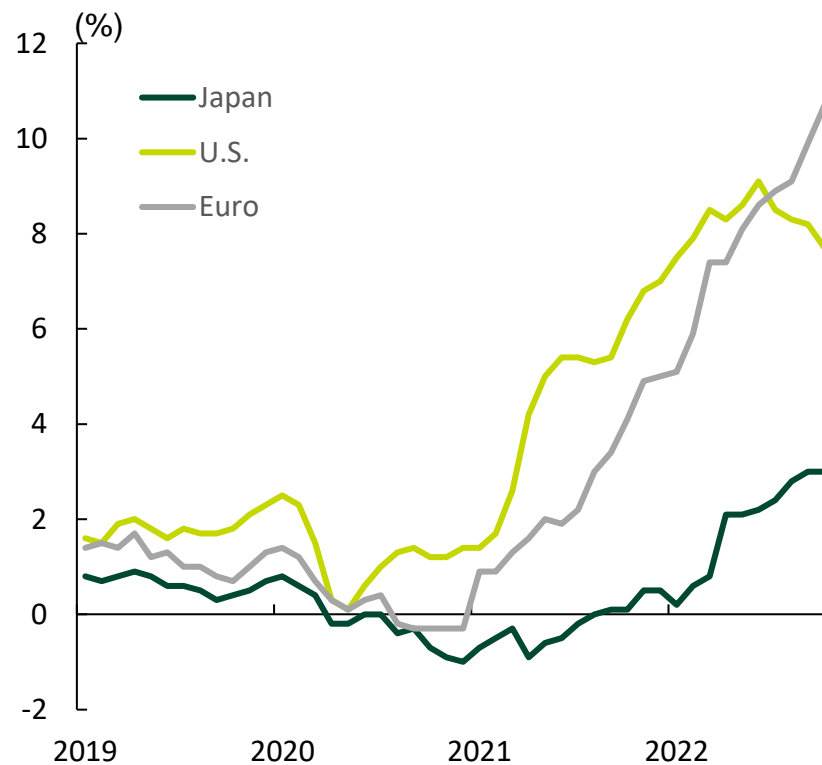
- Dysfunction on the supply side and surging demand imbalances have fostered higher-than-expected inflationary pressures.
- Upstream price (PPI) increases are common globally. In Europe, where the decarbonization movement was kicking off and the situation in Ukraine was worsening, the push from energy sector is significant.
- The price increase in the downstream (CPI) has been greater in the U.S. Differences in the degree of economic stimulus, firms' pricing behavior, and housing prices appear to have been at play.

PPI (YoY)*¹



CPI (YoY)*¹

Japan: excluding fresh foods

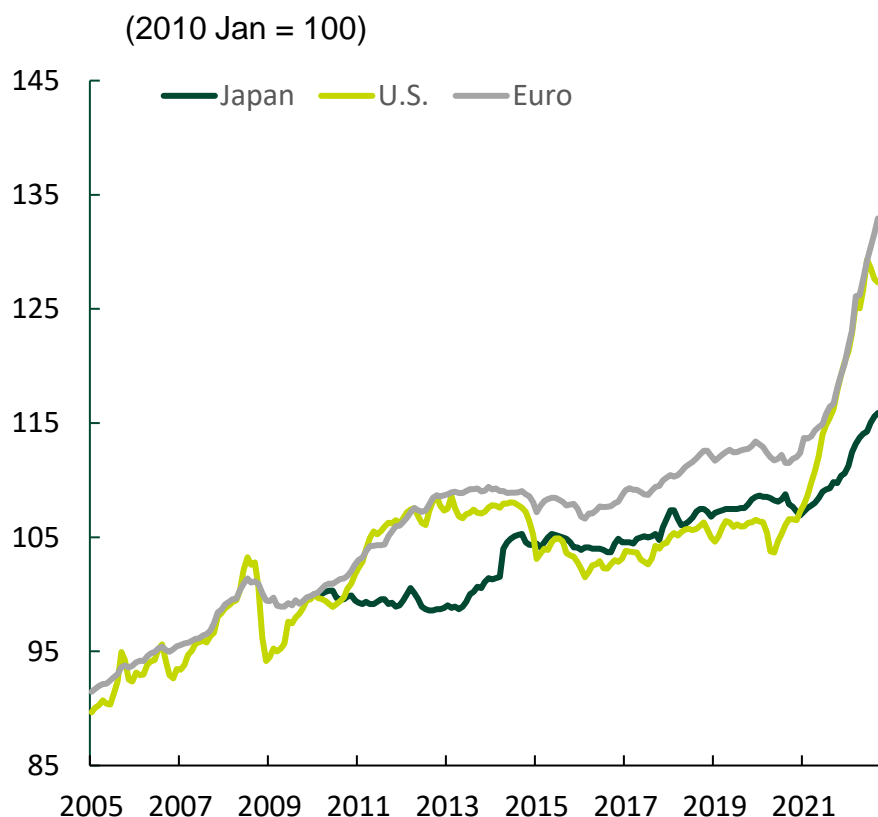


*1: Ministry of Internal Affairs and Communications (MIC), Bloomberg

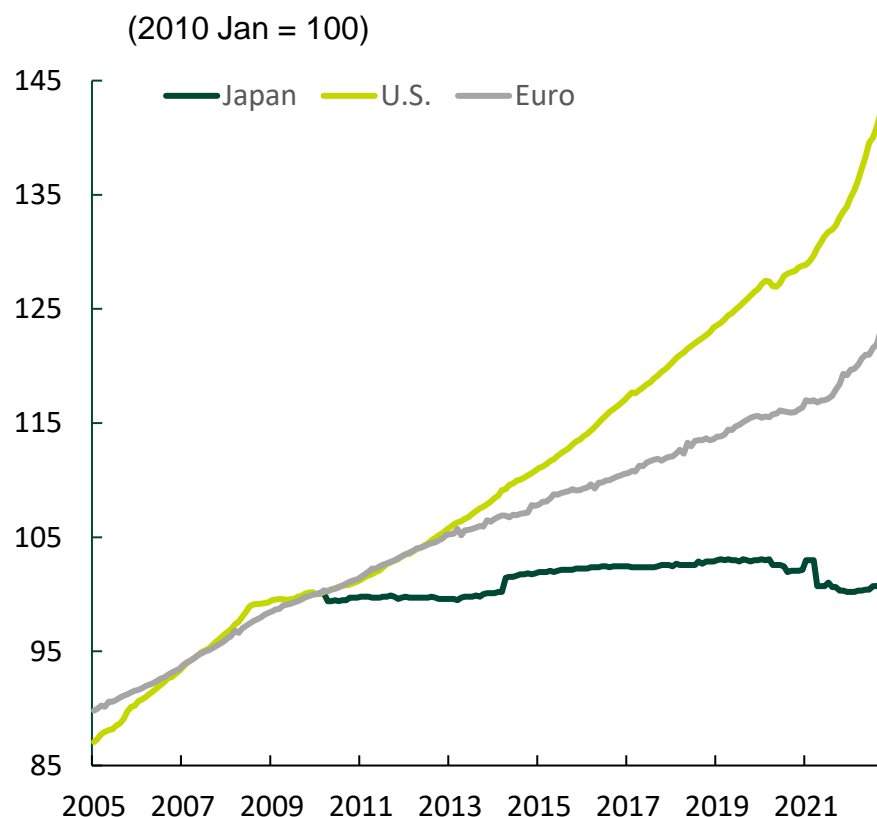
Comparison of inflation (2/2)

- As for goods, no significant differences are observed among regions/countries. However, there is a marked increase in the U.S. after 2020 and in the Eurozone after 2021. The recovery phase from the pandemic, supply chain disruption, and energy issues have had a significant impact.
- For services, Japan's trend differs significantly from others. The heterogeneity of Japanese service prices stands out.

CPI goods (level)*1



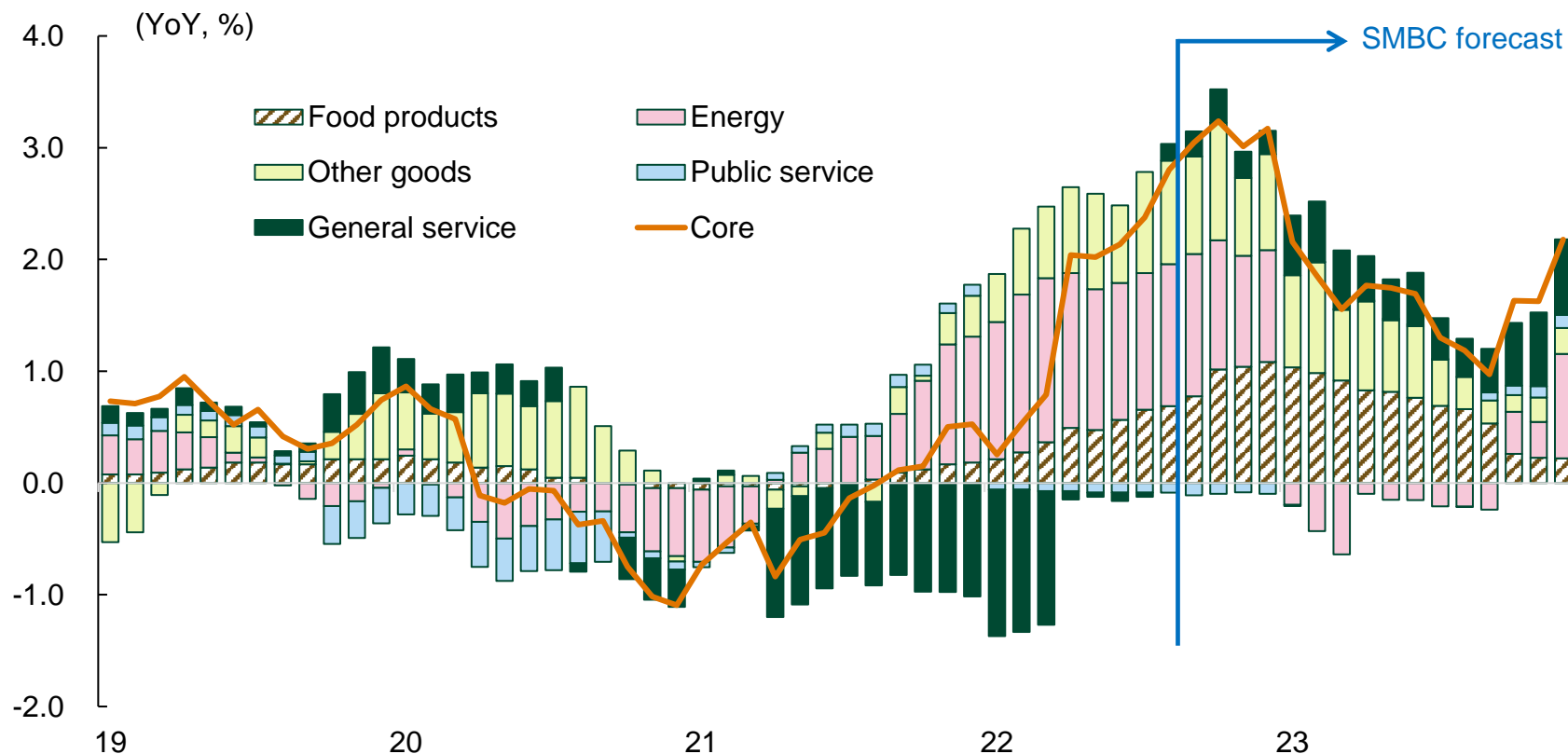
CPI services (level)*1



CPI outlook for Japan

- Japan's CPI exceeded +2% YoY in April 2022.
- Inflation is likely to remain around +3% YoY in the near future . However, inflation is expected to slow down through the second half of 2023 as base effects fade.

CPI Forecast (YoY) *1



*1: Ministry of Internal Affairs and Communications (MIC), SMBC. Including SMBC Treasury Unit's own estimate as of Nov. 15, 2022



Appendix

SMFG / SMBC overview

(FY3/22)		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 6.6 tn / USD 47.1 bn (As of Nov. 25, 2022)	unlisted (wholly-owned by SMFG)
B/S	Assets	JPY 258 tn / USD 2,105 bn	JPY 228 tn / USD 1,862 bn
	Loans	JPY 91 tn / USD 742 bn	JPY 88 tn / USD 716 bn
	Deposits ^{*2}	JPY 149 tn / USD 1,214 bn	JPY 141 tn / USD 1,152 bn
	Loans/Deposits	56.2%	56.9%
P/L	Gross Profit	JPY 2,946 bn / USD 24.1 bn Consolidated gross profit	JPY 1,579 bn / USD 12.9 bn Gross banking profit
	Net Income	JPY 707 bn / USD 5.8 bn Profit attributable to owners of parent	JPY 546 bn / USD 4.5 bn Net income
CET1 ratio		14.45%	-
NPL ratio		1.08%	0.77%
Ratings (Moody's / S&P)		A1 / A- (As of Oct. 31, 2022)	A1 / A (As of Oct. 31, 2022)
Business Franchise		<ul style="list-style-type: none"> ● Holds top-tier companies in banking, leasing, securities services, consumer finance, and other businesses ● 151 overseas offices^{*3} (As of Sep. 30, 2022) 	<ul style="list-style-type: none"> ● 455 domestic branches ● 27 million retail accounts (As of Sep. 30, 2022)

*1 Converted into USD at March 2022 fiscal year-end exchange rate
Market capitalization converted to USD at the Nov. 25, 2022 exchange rate

*2 Excludes negotiable certificates of deposits

*3 Excludes offices planned to be closed

Group structure*1

Sumitomo Mitsui Financial Group

Consolidated total assets JPY 272 tn

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

Consumer Finance

Sumitomo Mitsui Card

(74.9%)

Fullerton India

SMBC Consumer Finance

(49%)

FE Credit

Leasing

(50%)

Sumitomo Mitsui Finance and Leasing

(SMBC 32%, SMFL 68%)

SMBC Aviation Capital

Consolidated subsidiary Equity-method affiliate

Banking

Sumitomo Mitsui Banking Corporation

Moody's	S&P	Fitch
A1	A	A

SMBC Trust Bank

(93.5%)

PT Bank BTPN Tbk

Securities

SMBC Nikko Securities

Others

(50.1%)

Japan Research Institute

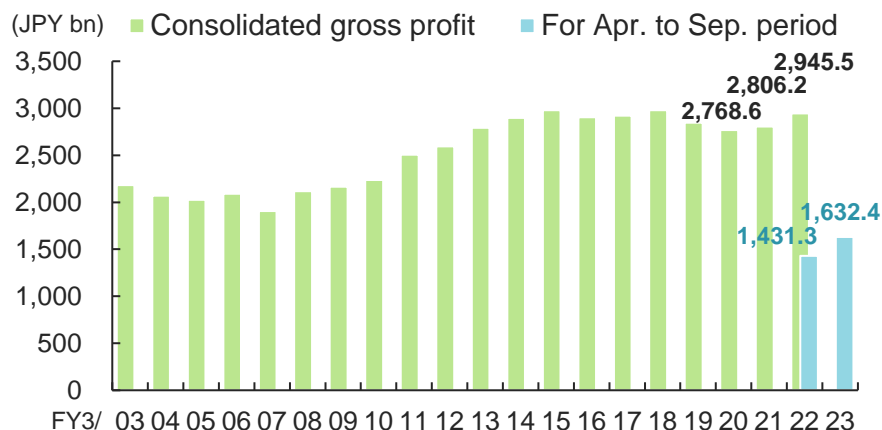
Sumitomo Mitsui DS Asset Management

*1 As of the end of Sep. 22

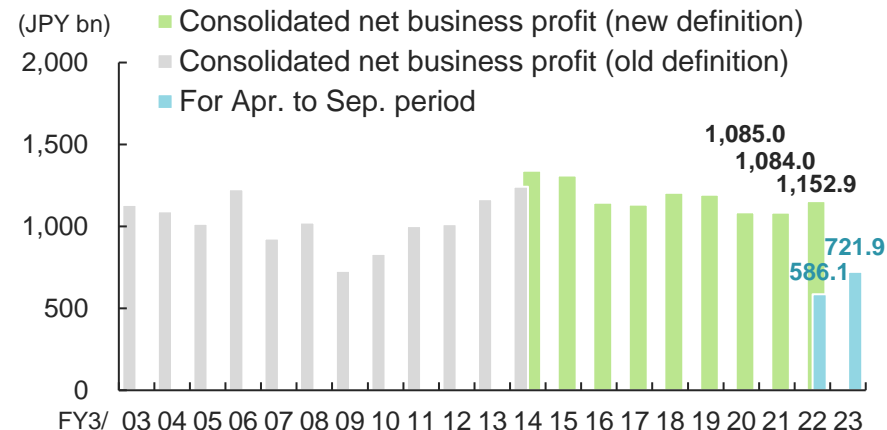
Unless otherwise stated, each consolidated subsidiary is a wholly owned subsidiary of Sumitomo Mitsui Financial Group

Trend of major income components – Consolidated

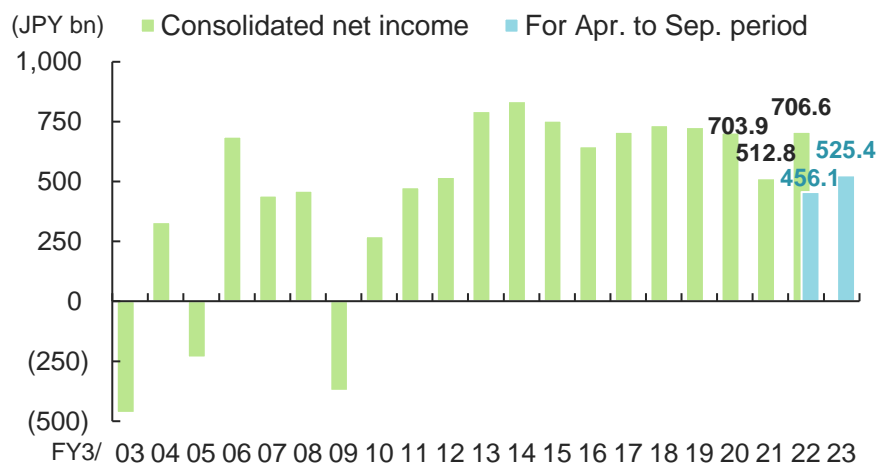
Consolidated gross profit



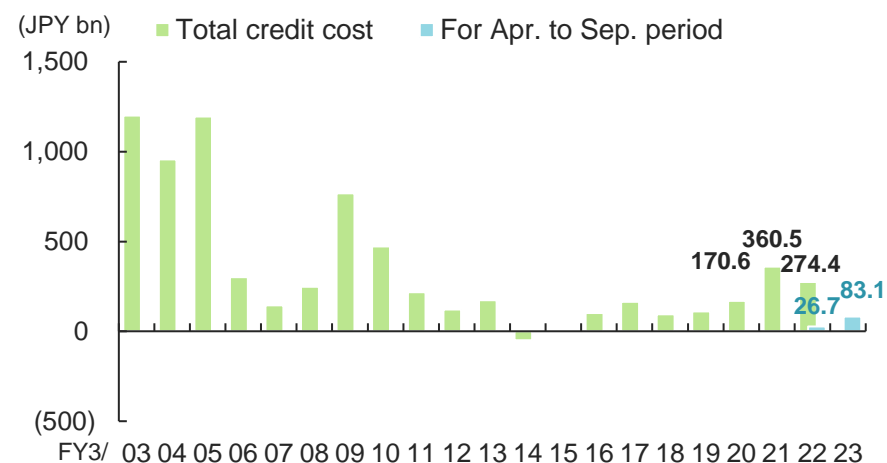
Consolidated net business profit*1



Net income / Profit attributable to owners of parent



Total credit cost

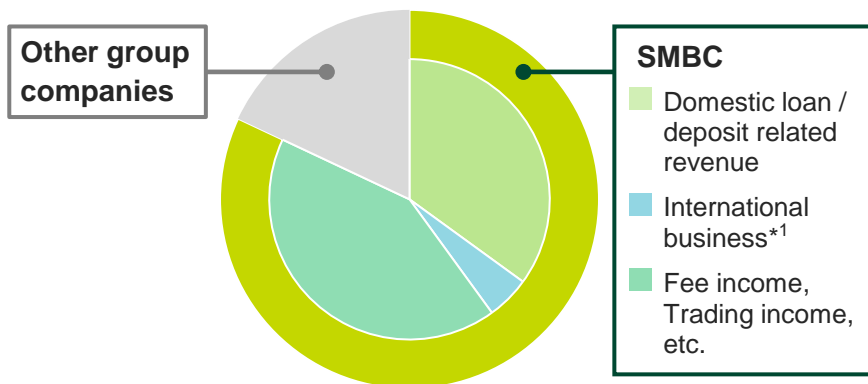


*1 We have changed the definition of "Consolidated net business profit" from the FY3/15. The figure for FY3/14 has been adjusted retrospectively

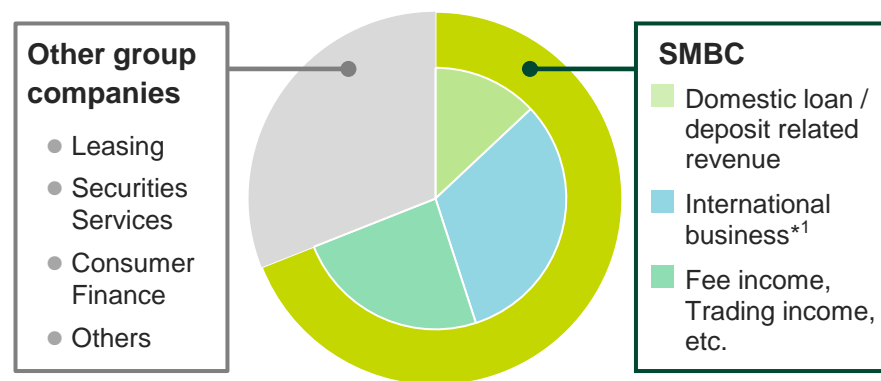
Diversified revenue sources

Breakdown of consolidated gross profit

FY3/03

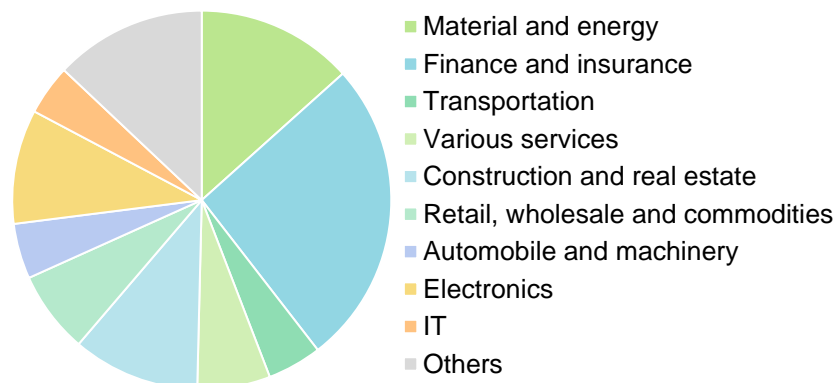


1H FY3/23

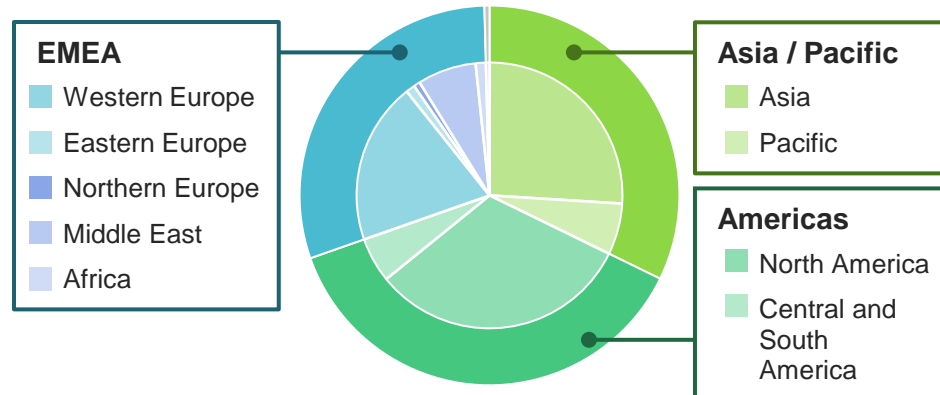


Breakdown of overseas loan balance (Sep. 22)

By industry



By domicile



*1 Includes major overseas banking subsidiaries

FY3/2022 financial results

	(JPY bn)	FY3/22	YoY	vs. Target
1 Consolidated gross profit		2,945.5	+139.3	
2 G&A expenses		1,821.1	+74.0	
Overhead ratio		61.8%	(0.5)%	
3 Equity in gains (losses) of affiliates		28.5	+3.5	
4 Consolidated net business profit		1,152.9	+68.9	+32.9
5 Total credit cost		274.4	(86.1)	+74.4
6 Gains (losses) on stocks		209.1	+116.5	
7 Other income (expenses)		(46.9)	+58.1	
8 Ordinary profit		1,040.6	+329.6	+60.6
9 Extraordinary gains (losses)		(111.0)	(72.3)	
10 Income taxes		214.5	+58.2	
11 Profit attributable to owners of parent		706.6	+193.8	+36.6
12 ROE		7.3%	+1.9%	

- **Consolidated gross profit:** increased YoY due to strong performance of RT, WS and GB Business Units, despite lower gains on sales of bonds in GM Business Unit.
Impact of SMBC Nikko case : approx. JPY (10) bn.
- **G&A expenses:** increased YoY due mainly to business recovery from COVID-19, as well as higher variable marketing costs of SMCC, which successfully increased its number of new customers.
- **Equity in gains of affiliates:** increased YoY due mainly to business recovery in affiliates in Asia.
Impairment of aircraft at SMBCAC: JPY 47 bn
- **Total credit cost:** JPY 75 bn of reserve for exposure to Russia including forward-looking provisions.
- **Gains on stocks:** increased YoY due to higher gains on sales of strategic shareholdings (JPY 162 bn, YoY JPY 97 bn)
- **Other income:** increased YoY due to the absence of loss from forward dealings recorded in FY3/21.
Allowance on interest repayment : JPY 32 bn, YoY JPY (7) bn
- **Extraordinary losses:** recorded impairment of branches and software at SMBC and SMBC Trust, as well as freight cars at SMBC Rail Services.

1H FY3/2023 performance of SMBC and group companies

SMBC

	(JPY bn)	1H FY3/23	YoY
1 Gross banking profit		928.2	+181.7
2 o/w Net interest income		611.5	+122.9
3 o/w Gains (losses) on cancellation of investment trusts		31.3	+0.2
4 Domestic		353.3	+54.6
5 Overseas		258.2	+68.3
6 o/w Net fees and commissions		222.2	+55.2
7 Domestic		94.6	+8.7
8 Overseas		127.5	+46.5
9 o/w Net trading income+ Net other operating income		93.6	+3.5
10 o/w Gains (losses) on bonds		(63.4)	(91.1)
11 Expenses		443.8	+25.5
12 Banking profit		484.5	+156.2
13 Total credit cost		63.5	+88.5
14 Gains (losses) on stocks		84.2	+26.6
15 Extraordinary gains (losses)		36.3	+31.3
16 Net income		399.8	+113.5

*1 YoY includes the impact of group reorganization

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

*3 Managerial accounting basis

Other major group companies

		(left : results of 1H FY3/23 / right : YoY)					
		(JPY bn)		SMCC	SMBCCF ^{*1}	SMBC Nikko ^{*2}	
Gross profit		214.2	+16.5	137.7	+2.0	123.5	(86.1)
Expenses		179.3	+15.1	61.3	+0.6	158.8	(5.9)
Net business profit		35.1	+1.8	72.7	(2.4)	(35.3)	(80.3)
Net income		14.8	+0.0	31.9	(5.2)	(24.8)	(56.8)

		(Equity method affiliate)					
				SMBC Trust	SMDAM ^{50.1%}	SMFL ^{*3} 50%	
Gross profit		24.8	+2.9	18.3	(0.7)	125.4	+17.1
Expenses		18.0	(4.3)	15.2	+0.4	58.2	+8.5
Net business profit		6.8	+7.2	3.1	(1.1)	73.3	+10.3
Net income		5.9	+6.1	1.9	(0.9)	37.5	+1.6

FY3/2022 performance of SMBC and group companies

SMBC

	(JPY bn)	FY3/22	YoY	vs. Target
1 Gross banking profit		1,579.2	+97.5	
2 o/w Net interest income		1,091.1	+154.7	
3 o/w Gains (losses) on cancellation of investment trusts		41.5	+7.7	
4 Domestic		638.8	+55.3	
5 Overseas		452.3	+99.4	
6 o/w Net fees and commissions		398.5	+67.8	
7 Domestic		198.2	+22.0	
8 Overseas		200.3	+45.7	
9 o/w Net trading income+ Net other operating income		87.4	(125.1)	
10 o/w Gains (losses) on bonds		(42.4)	(122.3)	
11 Expenses		857.2	+40.7	
12 Banking profit		721.9	+56.8	+46.9
13 Total credit cost		161.1	(81.6)	+81.1
14 Gains (losses) on stocks		157.3	+93.7	
15 Extraordinary gains (losses)		27.9	+77.8	
16 Net income		546.3	+208.3	+86.3

Other major group companies

(left : results of FY3/22 / right : YoY)						
(JPY bn)	SMCC		SMBC Nikko ^{*1}		SMBCCF	
Gross profit	406.0	+20.4	387.1	(42.6)	254.9	(4.8)
Expenses	339.9	+22.6	318.2	+4.7	116.4	+5.8
Net business profit	65.9	(2.8)	68.9	(47.3)	138.5 ^{*2}	(10.6)
Net income	19.8	(16.0)	51.4	(40.7)	58.8	+4.7

(Equity method affiliate)						
	SMBC Trust		SMDAM ^{50.1%}		SMFL ^{*3} 50%	
Gross profit	48.5	+8.3	39.2	+5.1	233.4	+56.7
Expenses	44.1	+0.2	30.2	(2.1)	103.2	+17.5
Net business profit	4.4	+8.1	9.1	+7.3	138.2	+43.0
Net income	(15.9)	(7.4)	5.4	+33.4	35.4	+1.7

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

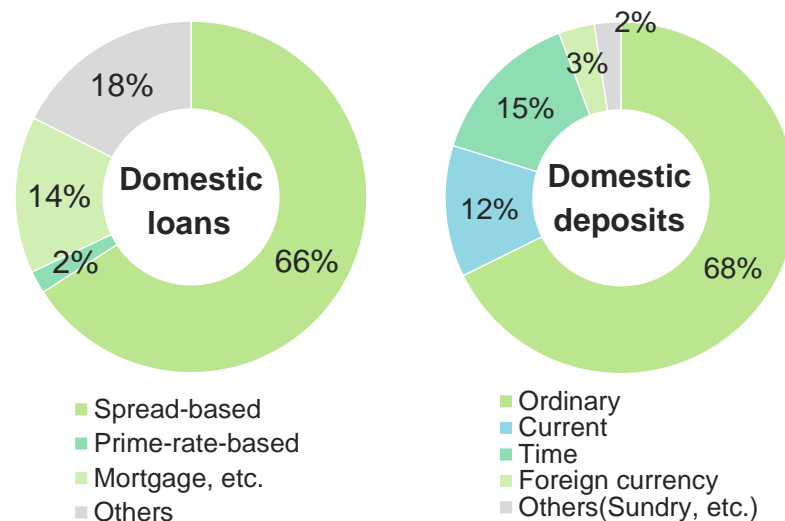
*2 Deduct internal transactions *3 Managerial accounting basis

Balance sheet

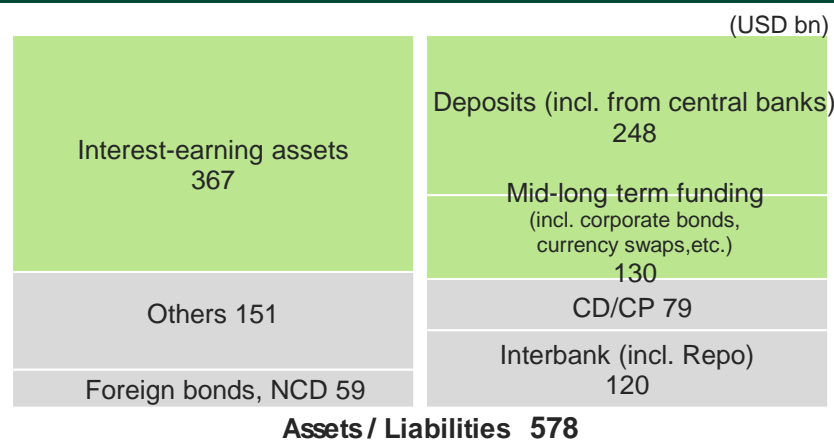
Consolidated

	(JPY tn)	Sep. 22	vs. Mar. 22
Total assets		271.7	+14.0
o/w Cash and due from banks		70.8	(4.0)
o/w BOJ's current account balance ^{*1}		51.6	(7.0)
o/w Loans		100.9	+10.0
o/w Domestic loans ^{*1}		59.2	+1.2
o/w Large corporations ^{*2}		19.9	+0.6
うち Mid-sized corporations & SMEs ^{*2}		20.0	+0.4
うち Individuals ^{*2}		11.8	(0.1) ^{*3}
o/w Securities		32.6	(6.0)
o/w Other securities		31.8	(6.4)
o/w Stocks		3.2	(0.2)
うち JGBs		10.0	(5.8)
うち Foreign bonds		12.4	+0.4
Total liabilities		259.0	+13.5
o/w Deposits		157.1	+8.5
o/w Domestic deposits ^{*1}		119.4	+0.7
Individuals		57.1	+1.0
Corporates		62.2	(0.4)
o/w NCD		14.5	+1.4
Total net assets		12.8	+0.6
Loan to deposit ratio		58.8%	

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



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

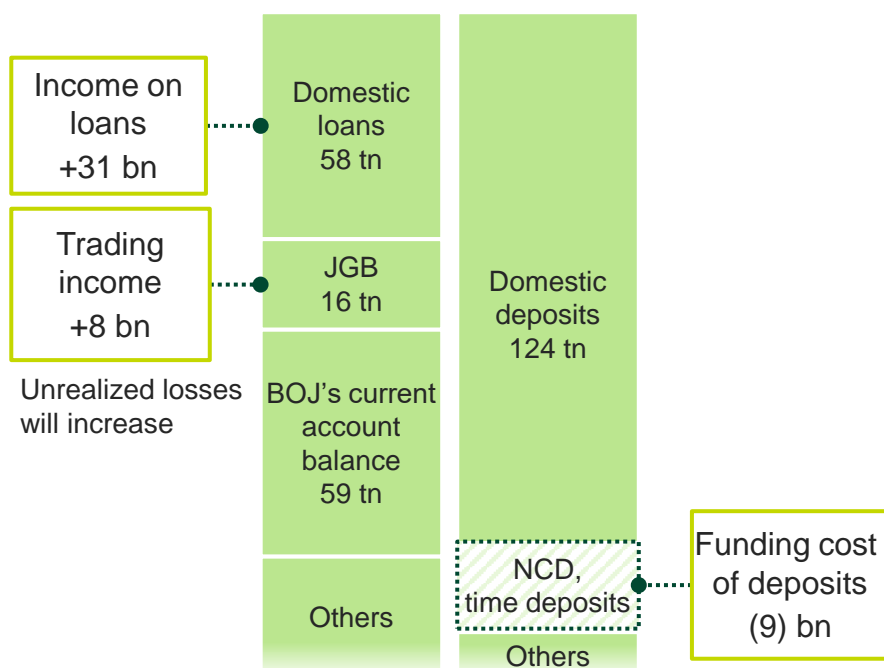


^{*1} Non-consolidated ^{*2} Managerial accounting basis ^{*3} After adding back the portion of housing loans securitized in 1H FY3/23 of JPY41.3bn ^{*4} Sum of SMBC and major local subsidiaries

Impact from rise of interest rate –non-consolidated–

JPY

Annual impact on major items (Simulation, as the end of Mar. 22)



<Simulation scenario>

- Interest rate: current 0%, 5Y 0.15%, 10Y 0.4%
(Mar.22 (actual): current (0.1)%, 5Y 0.025%, 10Y 0.21%)
- Interest on BOJ's basic balance: unchanged at 0.10%

Foreign currency

Loan/deposit

- Impact is basically neutral
(Most of the loans / deposits are based on market rate)
- A few deposits have low sensitivity to interest rate

Foreign bonds

- Unrealized losses will increase when government bond yields rise
- Interest earnings on roll-overs improve while funding cost increases

(JPY bn)	Mar.21	Mar.22	Sep.22
Foreign bonds	9,516.3	8,970.5	9,025.7
Unrealized gains(losses)	(40.7)	(403.1)	(909.5)

Capital / RWA

	Sep. 22	Requirement ^{*1}
Capital ratio		
Total capital ratio	15.63%	11.5%
CET1 ratio (Transitional basis)	13.69%	8%
excl. net unrealized gains on other securities	12.4%	-
CET1 ratio (Finalized Basel 3 basis)	10.6%	8%
excl. net unrealized gains on other securities	10.1%	-
External TLAC ratio		
RWA basis	24.45%	18.0%
Leverage exposure basis	9.23%	6.75%
Leverage ratio	4.83%	3%
LCR (Average 2Q FY3/23)	130.2%	100%

(JPY bn)	Mar. 22	Sep. 22
Total capital	11,983.8	12,193.5
Tier1 capital	11,186.2	11,415.4
o/w CET1 capital	10,458.4	10,681.8
Tier2 capital	797.5	778.1
External TLAC	20,628.1	21,819.7
Risk-weighted assets	72,350.1	77,971.4
Leverage exposure	216,080.4	236,237.4

*1 Excluding countercyclical buffer

Financial highlights – IFRS*1

Income statement data

(JPY bn)	FY3/21	FY3/22
Net interest income	1,383.1	1,443.9
Net Fee and commission income	972.7	1,038.5
Net Trading income	237.7	280.3
Other operating income	572.1	374.7
Total operating income	3,165.6	3,137.5
Net operating income	2,883.1	2,857.5
Profit before tax	956.5	676.5
Net profit	705.1	515.1

Statement of financial position data

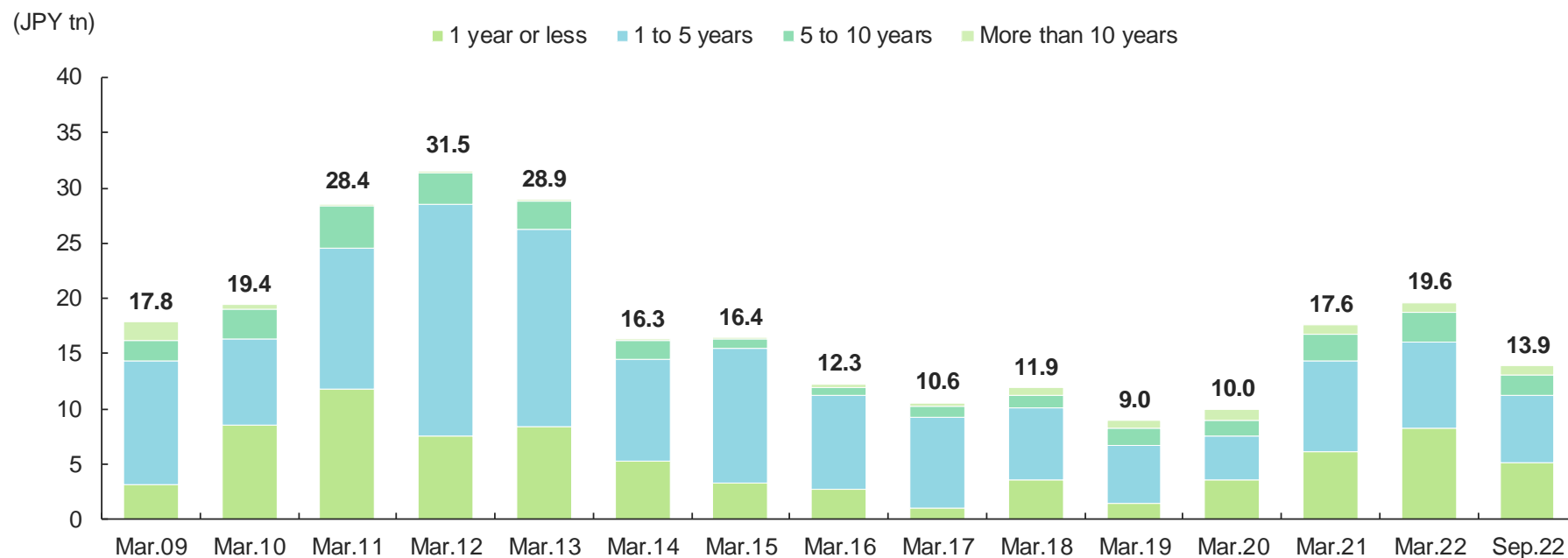
(JPY bn)	FY3/21	FY3/22
Total assets	235,025.0	248,160.8
Loans	97,714.9	104,635.8
Deposits	155,493.7	162,593.5
Total equity	12,276.2	12,781.7

Reconciliation with Japanese GAAP

	(At and for FY3/22, JPY bn)	Total equity	Net profit
IFRS		12,781.7	515.1
Differences arising from different accounting for:	Scope of consolidation	137.3	(3.0)
	Derivative financial instruments	(179.8)	(136.9)
	Investment securities	(424.1)	189.2
	Loans and advances	406.6	54.4
	Investments in associates and joint ventures	177.3	61.5
	Property, plant and equipment	15.5	(9.0)
	Lease accounting	1.9	0.9
	Defined benefit plans	69.8	67.0
	Deferred tax assets	(36.1)	6.8
	Foreign currency translation	-	40.7
	Classification of equity and liability	(738.5)	(10.9)
	Others	(12.5)	(0.8)
	Tax effect of the above	(1.6)	(59.9)
Japanese GAAP		12,197.3	715.1

Yen bond portfolio

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



of which JGBs
(JPY tn)

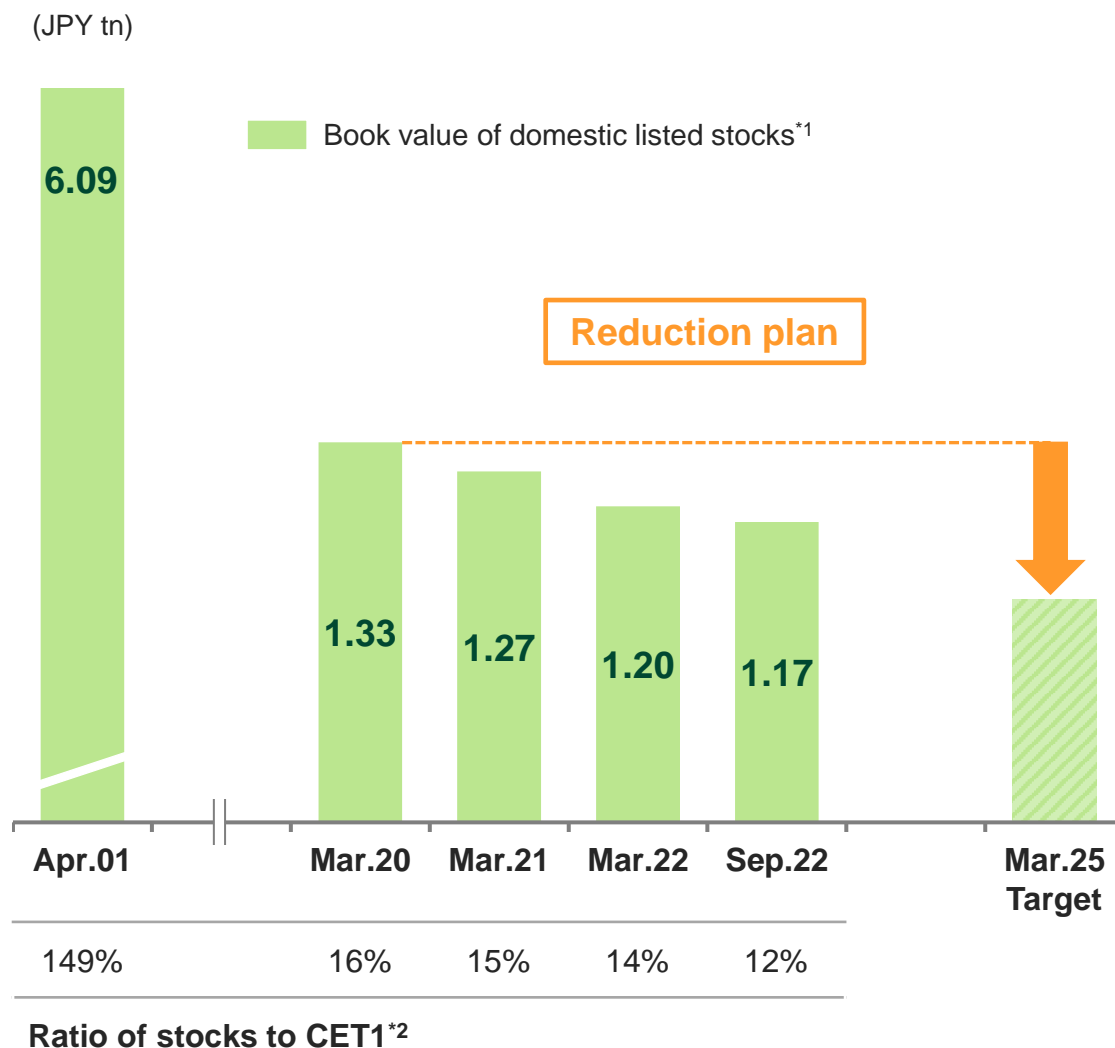
14.0 9.8 8.0 9.3 6.3 7.1 14.3 15.8 10.0

Average duration (years) ^{*1}	1.8	1.1	1.4	1.9	1.8	1.1	1.8	2.8	2.9	2.3	3.2	2.9	2.5	2.8	2.9
Unrealized gains (losses) (JPY bn) ^{*2}	(1.2)	116.1	71.9	104.4	95.3	60.0	45.9	103.8	57.5	44.2	60.5	21.4	7.9	(49.7)	(66.3)

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

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

Reduction of shareholdings



Reduction

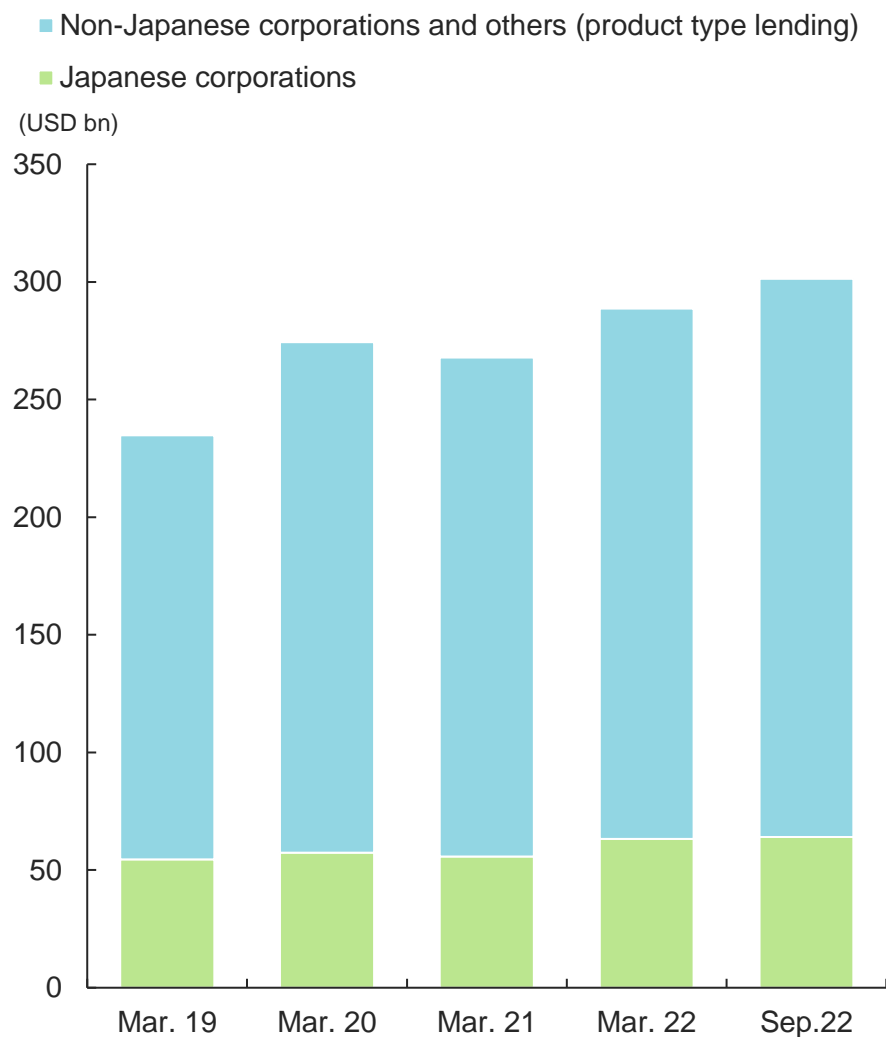
Amount of reduction	JPY 152 bn
FY3/21	JPY 55 bn
FY3/22	JPY 67 bn
1H FY3/23	JPY 30 bn
Consent of sales	JPY 66 bn
Total	JPY 219 bn

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

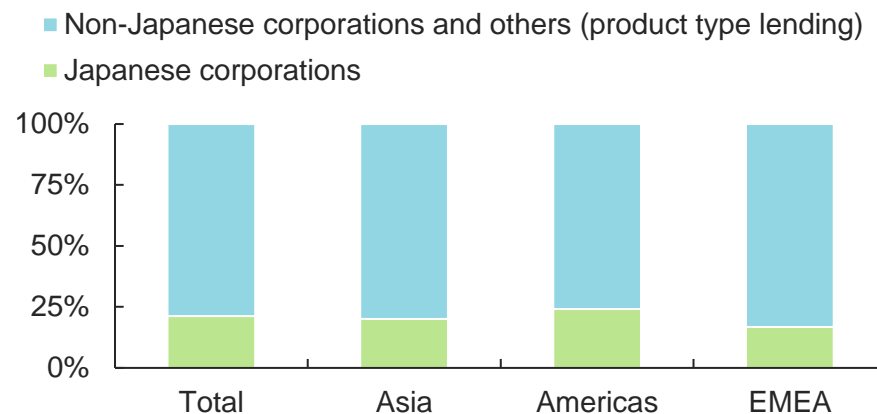
*2 Transitional basis, excl. net unrealized gains on other securities

Overseas loan balance classified by borrower type*1

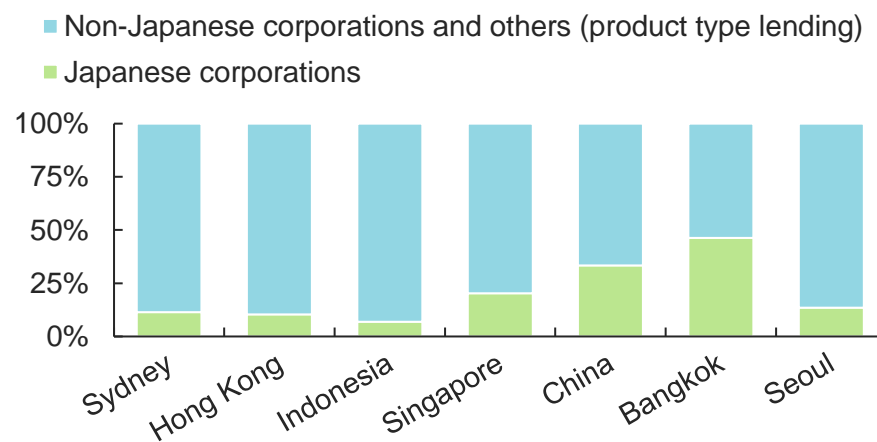
Total



By region (Sep. 22)



Major marketing channels in Asia (Sep. 22)*2

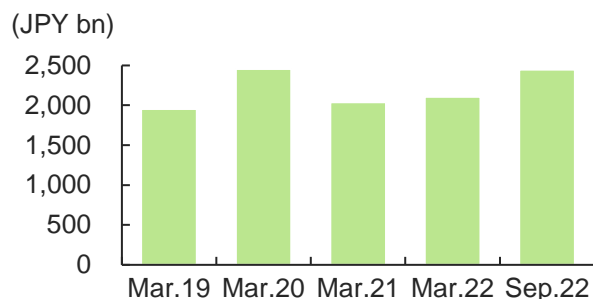


*1 Managerial accounting basis. Sum of SMBC and major local subsidiaries

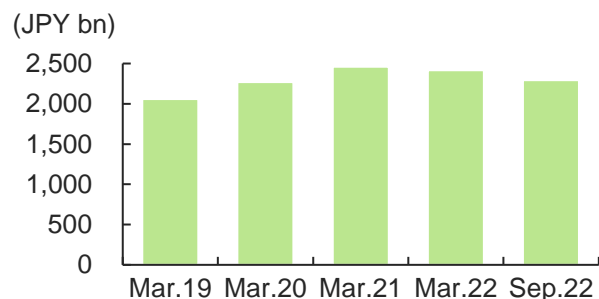
*2 Excludes BTPN in Indonesia

Loan balance in Asian countries/areas*1

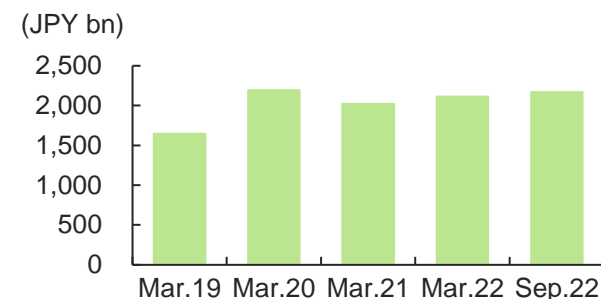
Australia



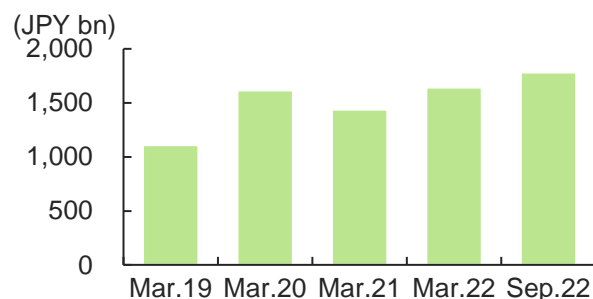
Hong Kong



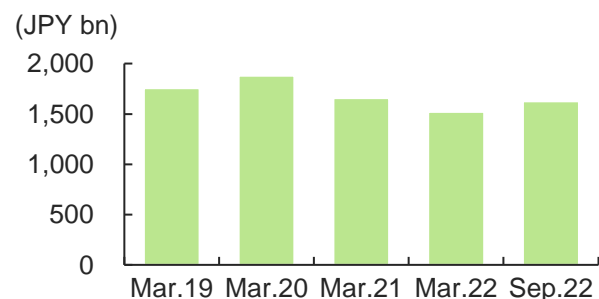
Singapore



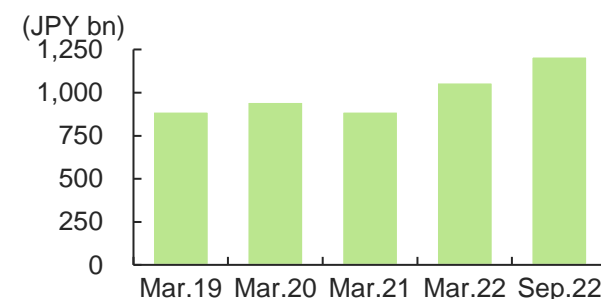
China



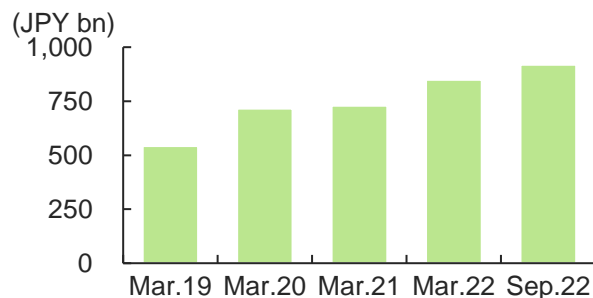
Indonesia



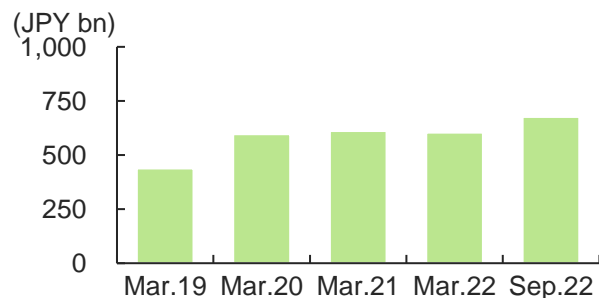
Thailand



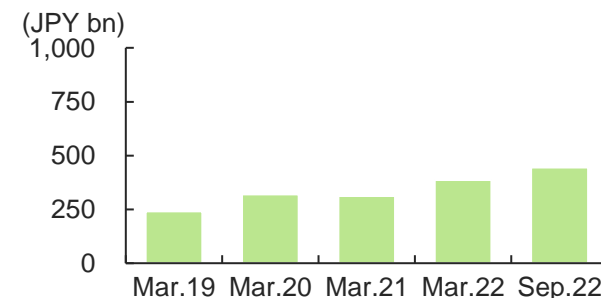
India



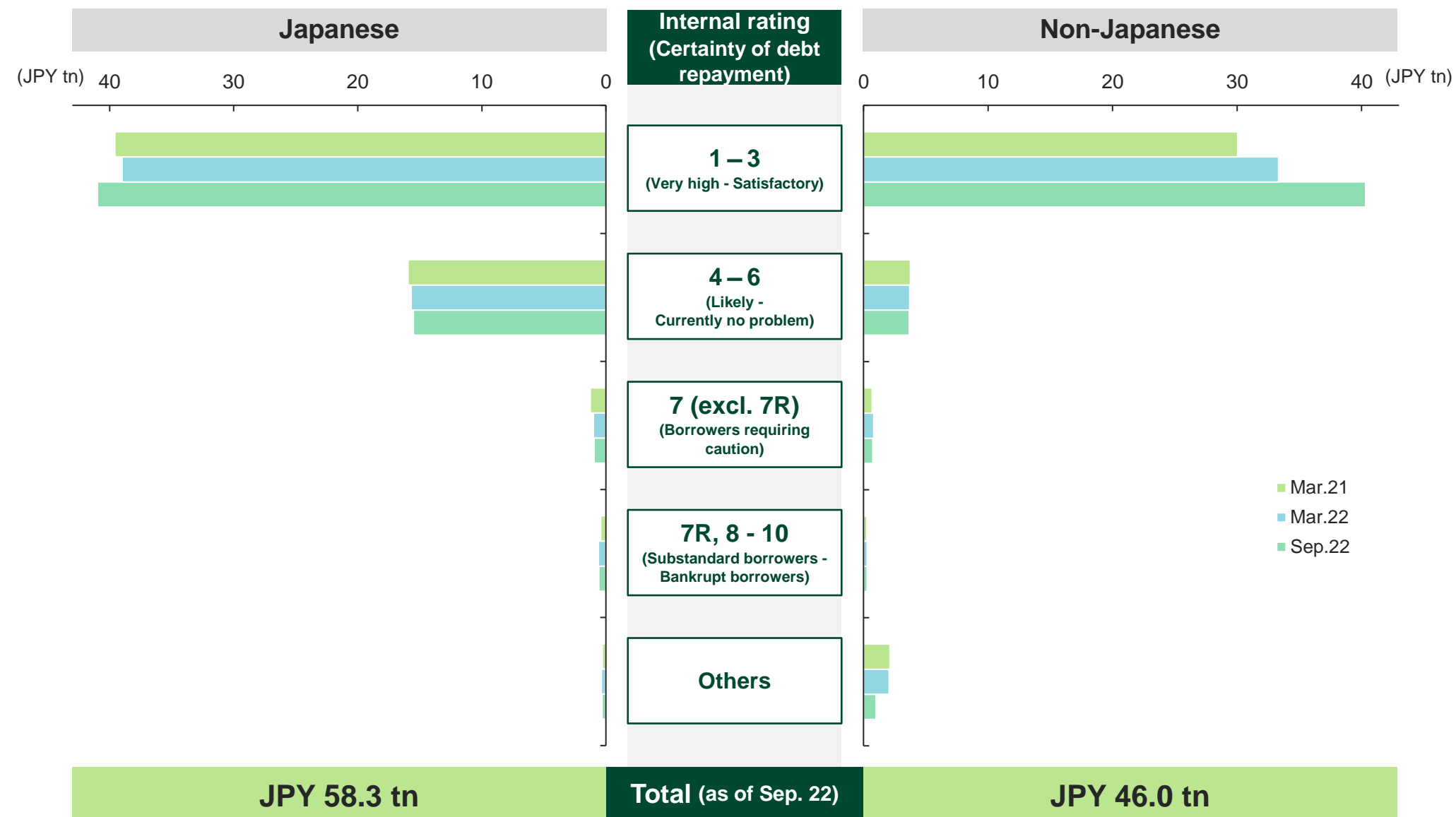
Taiwan



Korea



Japanese and non-Japanese corporate exposures*1



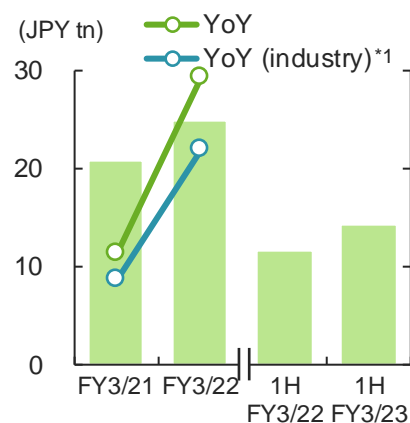
*1 Managerial accounting basis. Exposure includes loans, acceptances and guarantees, foreign exchanges, private placement, suspense payments, undrawn commitments, and derivatives, etc. Excluding the exposure to SMFG consolidated subsidiaries, retail customers in Japan, Japanese government, etc., and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

Financial results

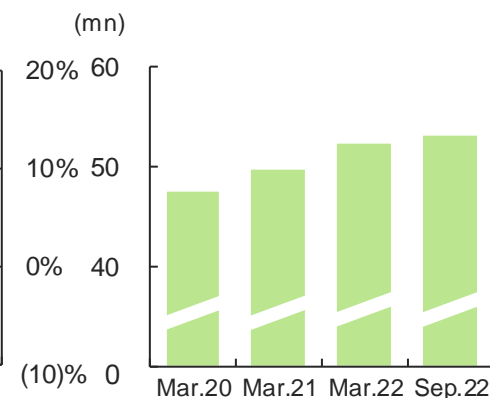
(JPY bn)	FY3/22	1H FY3/23	YoY
Operating revenue	470.5	250.9	+23.9
o/w Commission fee	164.0	92.0	+14.9
Finance	98.2	50.6	+1.6
Sales on credit	29.5	14.2	(0.9)
Receipt agency	50.1	25.6	+0.6
Operating expense	439.5	229.1	+22.3
o/w Expenses for loan losses	25.6	15.4	+3.8
Expense for interest repayments	10.0	-	-
Ordinary profit (loss)	34.1	21.6	(1.6)
Net income	19.8	14.8	+0.0
Finance outstanding	677.9	703.1	

Key figures

Sales handled

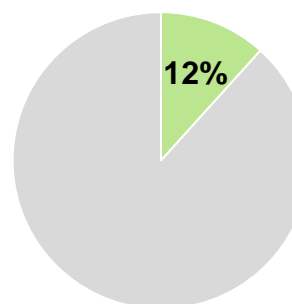


of card holders

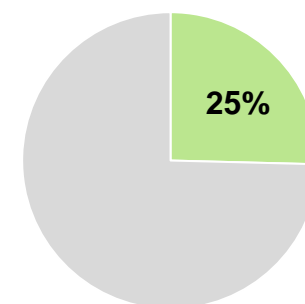


Market share*2

Issuing



Acquiring



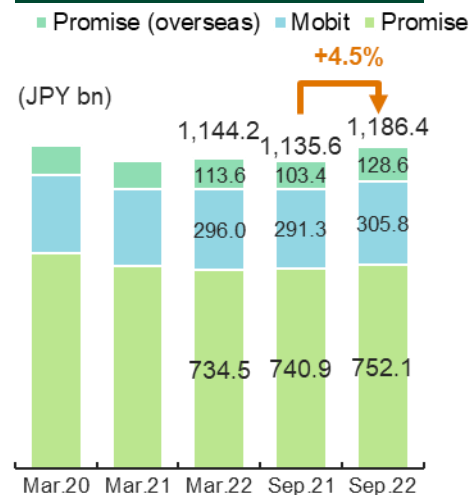
*1 The Japan Consumer Credit Association "Credit card behavior investigation" Shopping credit amount

*2 METI "Indices of Tertiary Industry Activity" Sales credit business handled (2021 : JPY 68 tn)

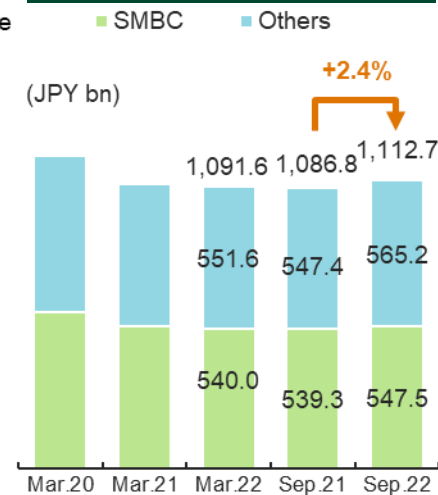
Financial results

(JPY bn)	FY3/22	1H FY3/23	YoY ^{*1}
Operating income	268.9	146.7	+11.8
o/w Interest revenues	176.7	91.3	+2.6
Loan guarantee revenues	57.1	35.3	+6.7
Operating expenses	200.5	100.3	+4.8
o/w Expenses for loan losses	48.7	35.5	+2.5
Expense for loan guarantees	10.8	2.0	(0.8)
Expenses for interest repayments	22.0	-	-
Ordinary profit	68.6	42.1	+2.6
Net income	85.2	31.9	(0.2)
NPLs	96.1	103.8	
(NPL ratio)	8.40%	8.75%	
Allowance on interest repayments (provision)	95.9	84.0	
	3.5 yrs	3.1 yrs	

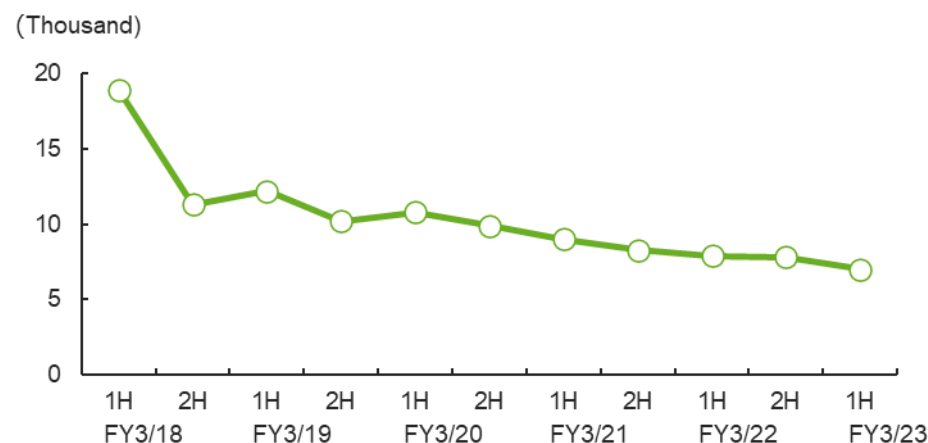
Consumer loans



Loan guarantee



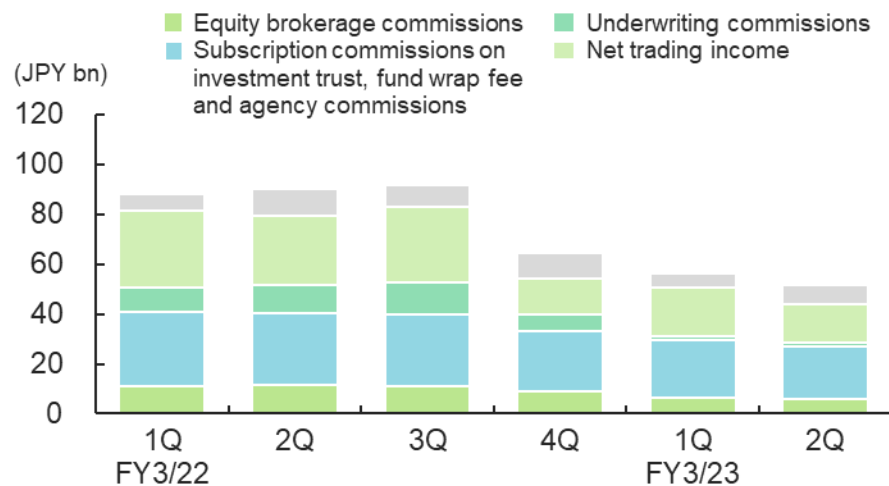
No. of interest refund claims



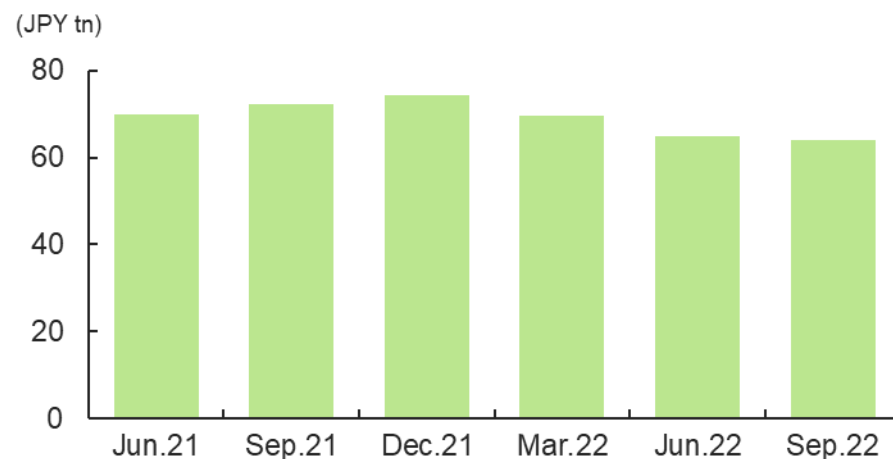
Financial results

(JPY bn)	FY3/22	1H FY3/23	YoY
Net operating revenue	334.2	107.7	(70.6)
SG&A expenses	275.4	127.4	(10.8)
Ordinary income	65.3	(18.1)	(61.9)
Net income	49.7	(9.4)	(42.0)

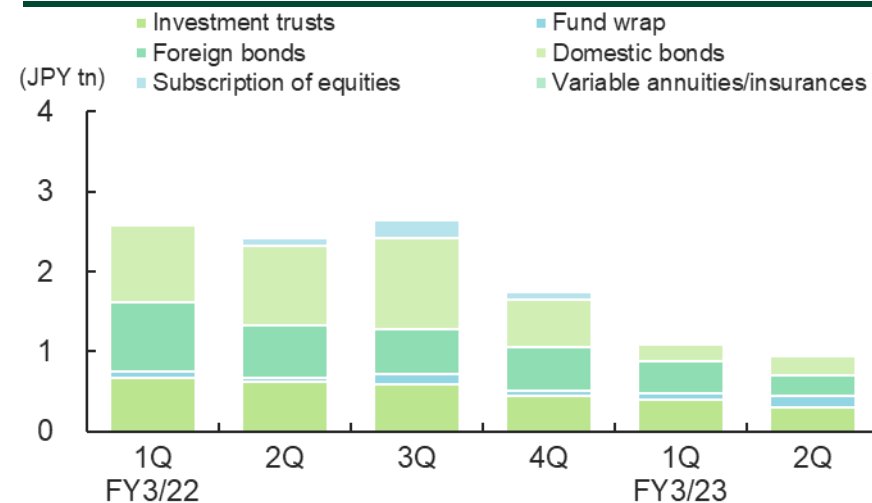
Net operating revenue



Client assets



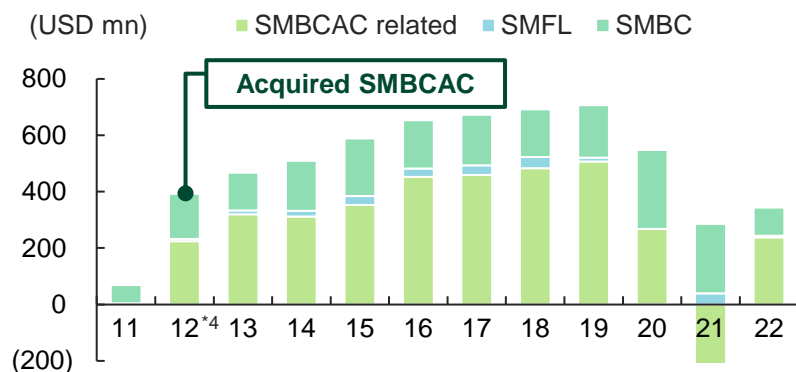
Product sales



Financial results

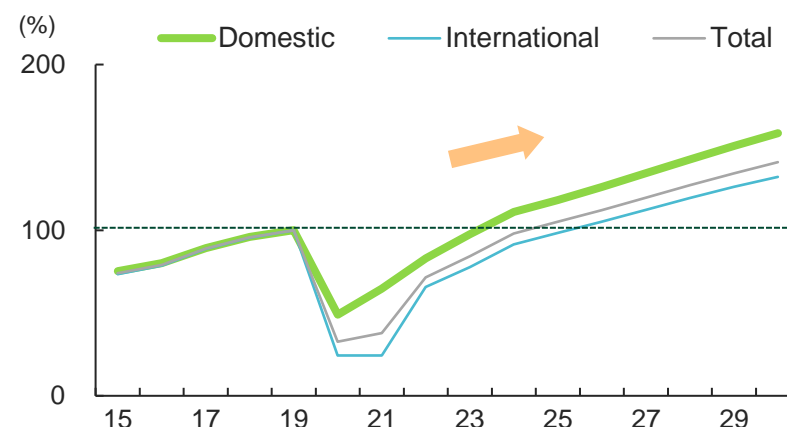
(USD mn)	FY3/22	1H FY3/23	YoY
Total revenue	1,479	627	+2
o/w Lease revenue	1,366	599	(4)
Credit / Asset impairment charges*1	907	39	(31)
Net income	(283)	105	+21
Aircraft asset*2	16,210	17,217	+868
Net asset	3,322	3,427	+61
ROE	(8.5)%	3.1%	+0.6%

Aircraft business of SMBC Group



Global passenger demand forecast*3

- Domestic demand is expected to exceed pre-COVID level in around 2023



Our Strengths

Aircraft portfolio	Wide body (A350・B787) 	Avg. age 4.4 years Fuel efficient*5 Approx. 70%
Liquidity	S&P rating A- No.1 in Industry	Undrawn commitment lines USD 9.0 bn

*1 Gross before security deposit and other net *2 Includes PDP (prepaid aircraft manufacturing)

*3 IATA/Tourism Economics Percentage change in each year when the 19-year result is set at 100

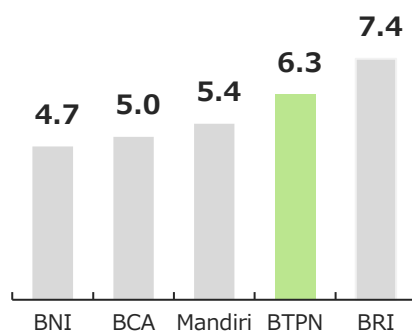
*4 SMBCAC-related revenues are recorded from June after acquisition * 5 Neo/MAX/A350/B787

Financial results*1

(JPY bn)	2019	2020	2021	Jan.-Sep. 2022
Gross banking profit	99.6	91.1	106.2	96.7
Operating expenses	56.3	50.9	56.6	50.1
Net profit	20.3	12.9	21.6	23.0
ROE	9.9%	6.1%	8.6%	9.6%
Loans	1,119.9	1,008.0	1,098.4	1,476.6
Deposits	686.8	745.8	886.0	986.9
Total assets	1,434.9	1,355.4	1,554.5	1,899.3

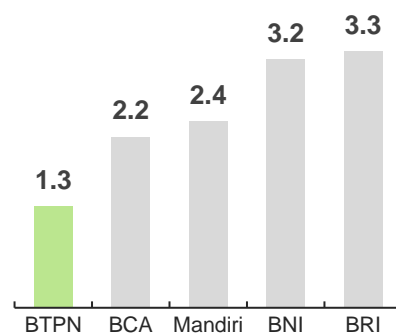
Net interest margin*2

(%)

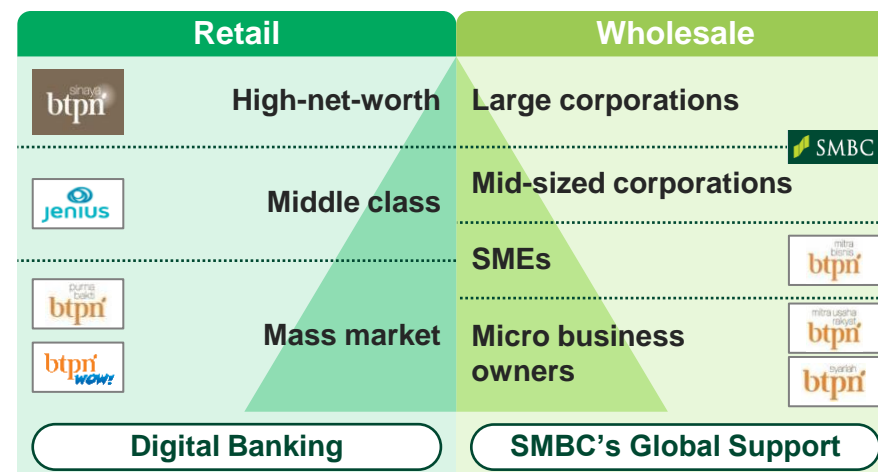


NPL ratio*2

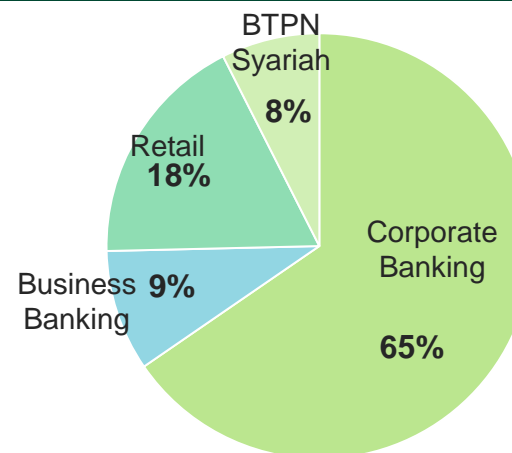
(%)



Customer



Loan breakdown*3



*1 TTM as of Dec.19: IDR 1 = 0.0079, Dec.20: IDR 1 = 0.0074, Dec.21: IDR 1 = 0.0081, Sep.22: IDR 1 = 0.0095

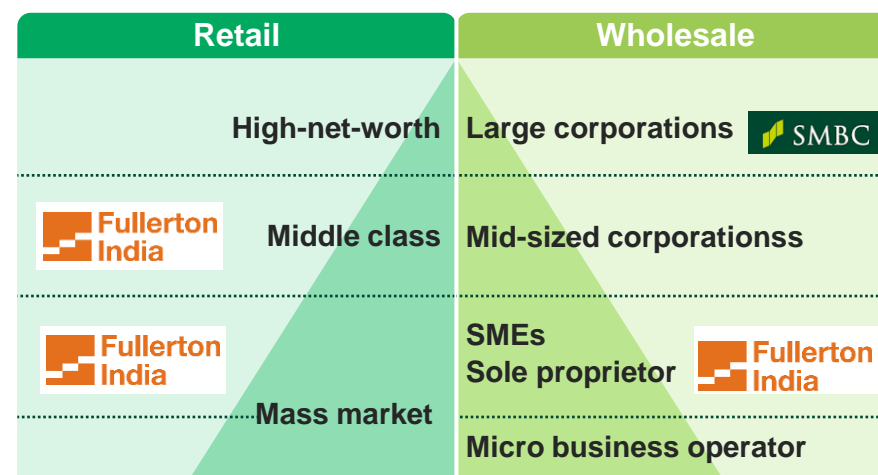
*2 Based on each company's disclosure (Jun.22 results) *3 As of Jun.22

Fullerton India

Financial results* 1

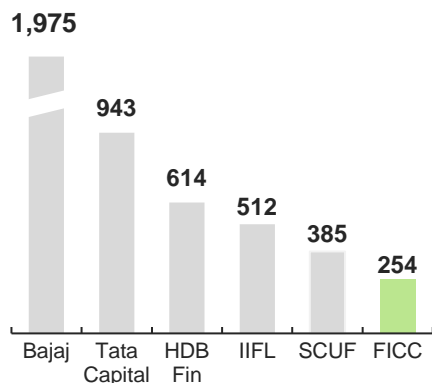
(JPY bn)	FY3/20	FY3/21	FY3/22	1H FY3/23*2
Gross operating profit	52.2	48.1	40.8	27.9
Operating expenses	19.1	18.0	23.5	15.8
Net profit	11.0	(18.3)	1.2	5.4
ROE	18%	(24)%	2%	13%
Loans	419.1	378.2	411.4	543.9
Total assets	473.6	419.3	441.4	609.4

Coverage



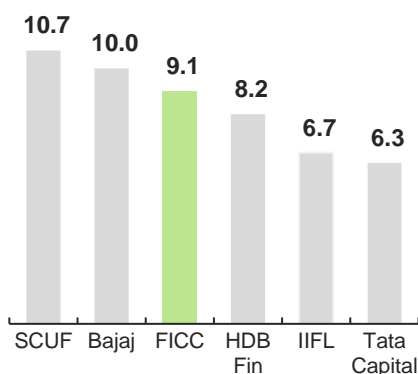
Loan balance*3

(INR bn)

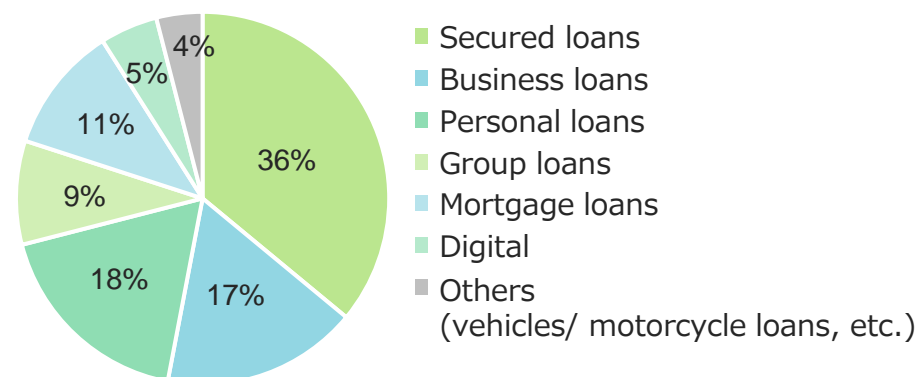


Loan spread*3

(%)



Loan breakdown*4



*1 TTM as of Mar.20: INR 1 = 1.44, Mar.21: INR 1 = 1.51, Mar.22: INR 1 = 1.62, Sep.22: INR 1 = 1.78

*2 Unaudited *3 Based on each company's published data (Mar.22 results) *4 As of Mar.22

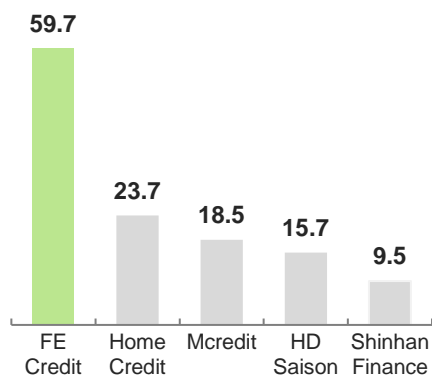
FE Credit

Financial results* 1

(JPY bn)	2019	2020	2021	Jan-Jun 2022
Gross operating profit	85.3	78.4	76.6	46.9
Operating expenses	2.7	2.3	2.3	1.7
Net profit	16.9	13.4	1.6	0.8
ROE	28.7%	21.2%	2.0%	1.8%
Loans	284.8	297.2	377.1	442.6
Total assets	332.0	330.3	389.0	471.8

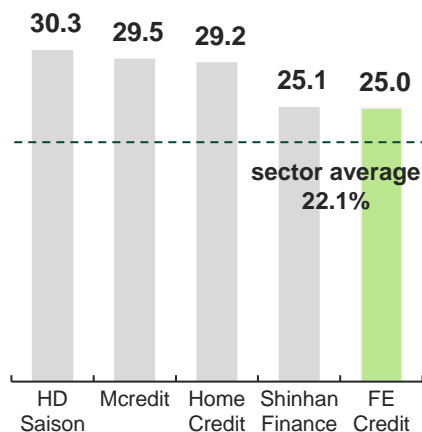
Loan balance* 2

(VND tn)

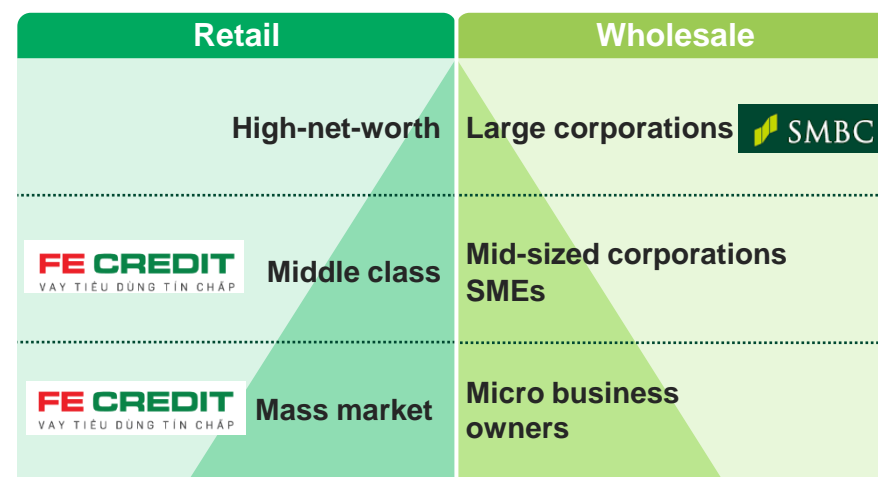


Loan spread* 2

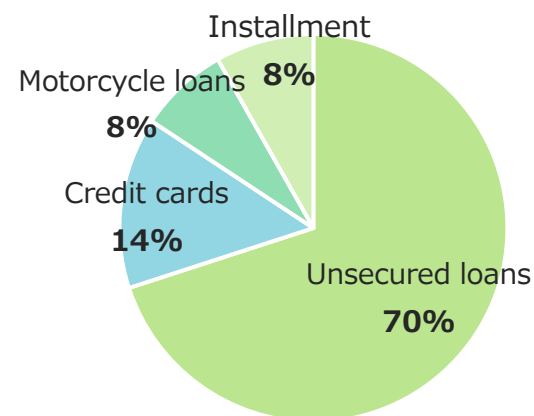
(%)



Coverage



Loan breakdown* 2

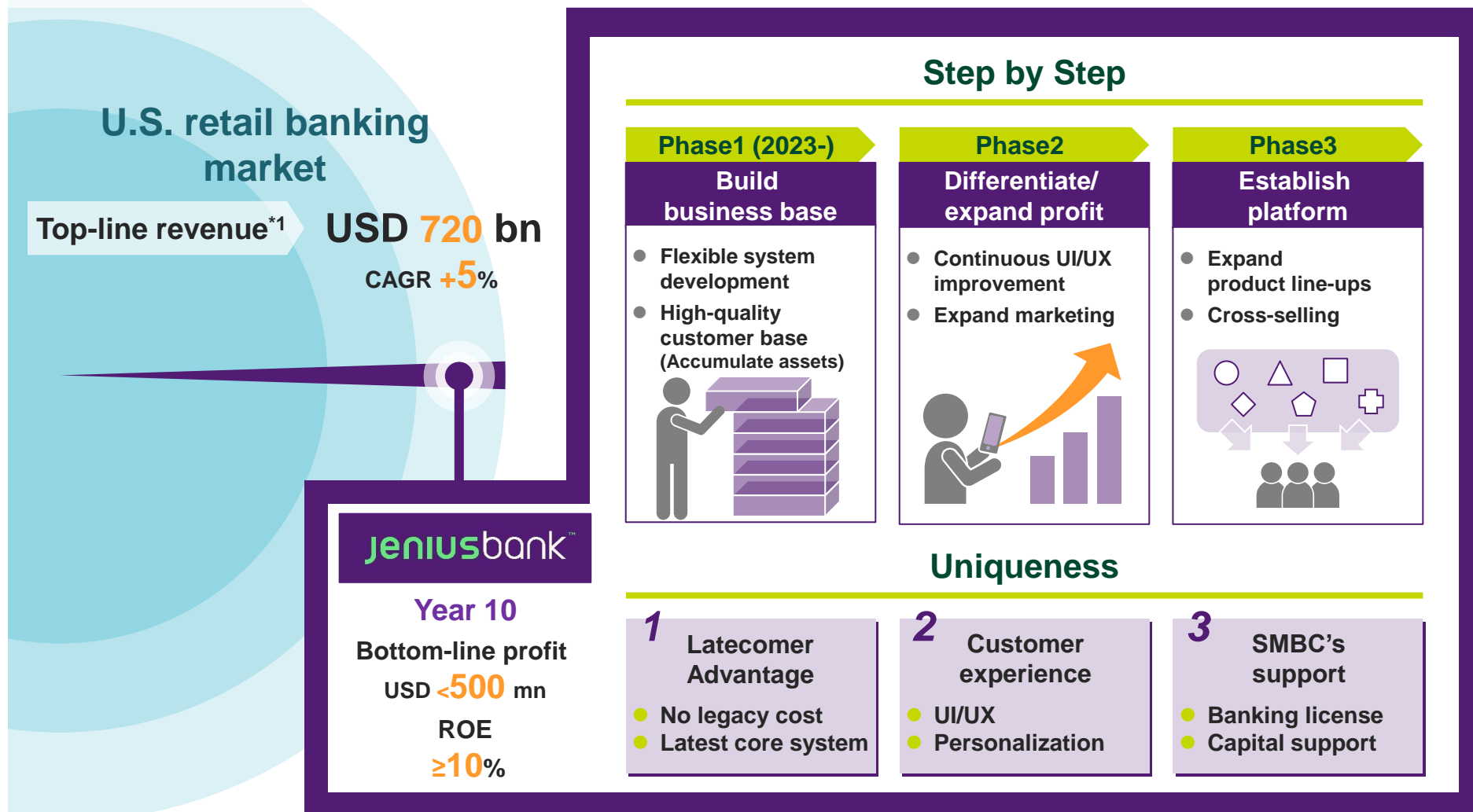


*1 TTM as of Dec.19: VND 1 = 0.0047, Dec.20: VND 1 = 0.0045, Dec.21: VND 1 = 0.0050, Jun.22: VND 1 = 0.0059

*2 Based on FiinGroup data (Jun.22 results)

U.S. digital retail banking

Expand business step by step in the huge U.S. retail banking market by leveraging our uniqueness



*1 Estimated figures

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 Oct. 31, 2022)

Moody's

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

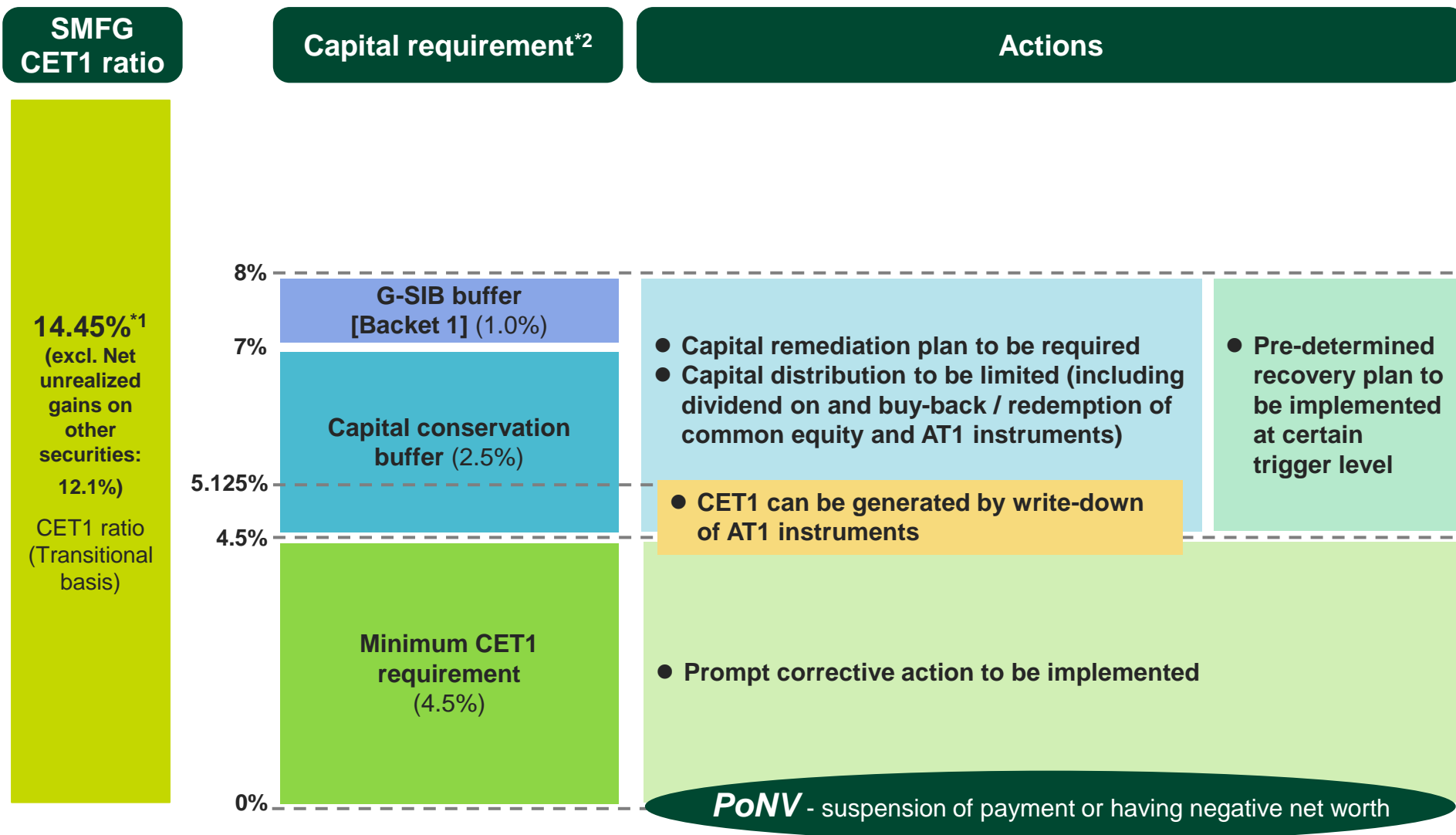
S&P

	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

We will be required to meet various capital requirements before reaching a point of non-viability (“PoNV”)



*1 As of the end of Mar. 22

*2 Excluding countercyclical buffer

Safeguards before incurring losses at PoNV

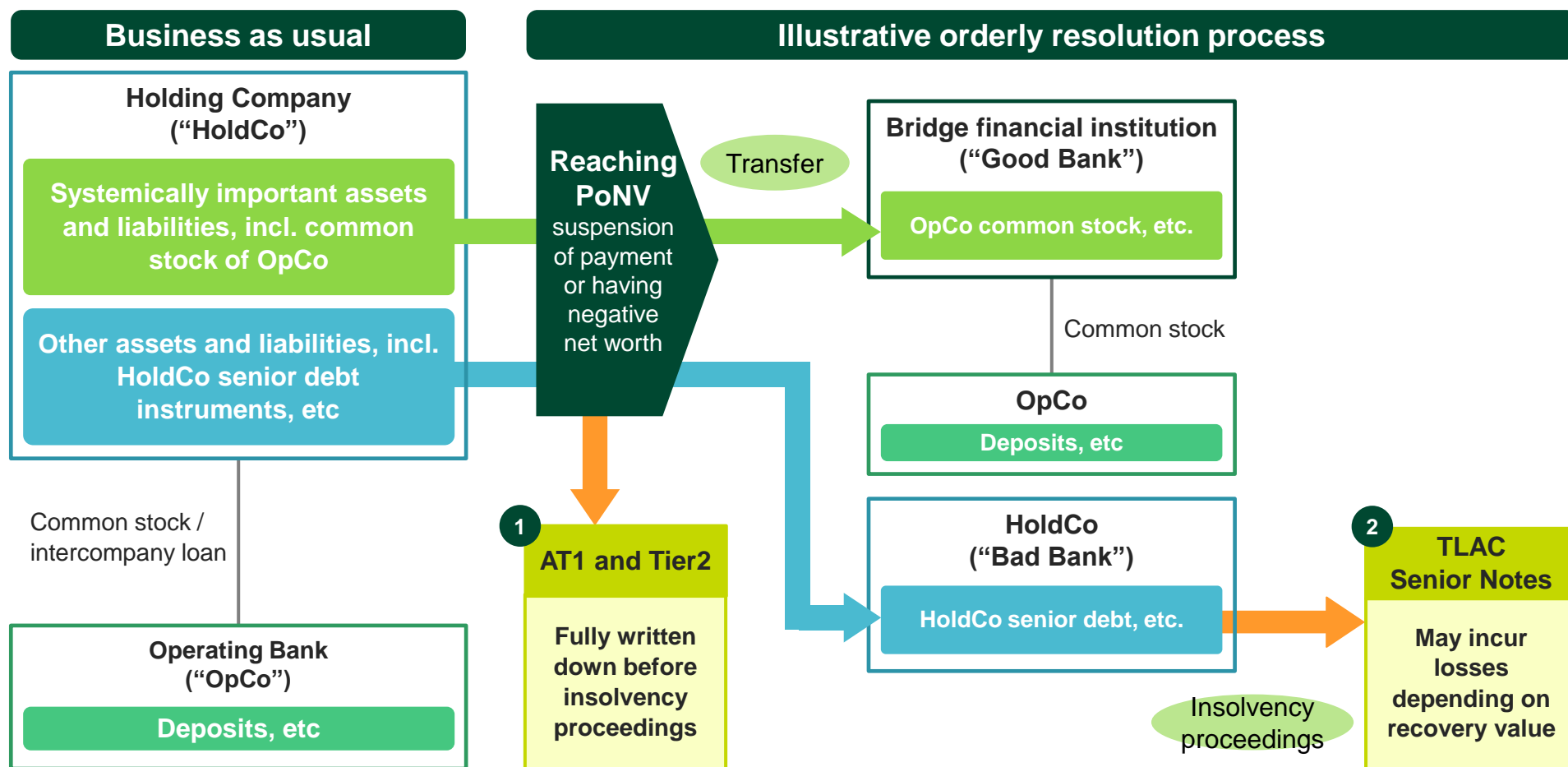
- safeguards to prevent systemic disruption

PoNV	Framework	Subject entities
Prior to	Liquidity support and capital injection Specified Item 1 Measures set forth in the Deposit Insurance Act ("DIA")	Financial institutions Including banks and bank holding companies ("BHCs")
	Capital injection Act on Special Measures for Strengthening Financial Functions	Banks and BHCs
	Capital injection Item 1 Measures set forth in the DIA	Banks and BHCs
PoNV suspension of payment or having negative net worth Posterior to	Financial assistance for orderly resolution Specified Item 2 Measures set forth in the DIA	Financial institutions Including banks and BHCs
	Financial assistance exceeding payout cost or Temporary nationalization	Banks

Orderly resolution regime in Japan

An orderly resolution is expected to be commenced subsequent to PoNV after SMFG absorbs losses incurred by its material subsidiaries.

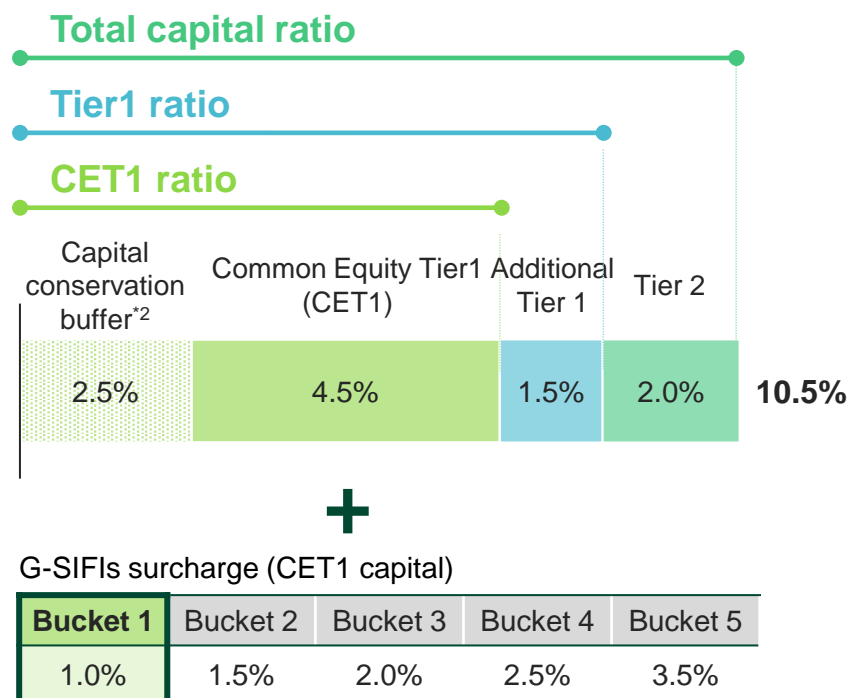
- 1 All Basel III eligible AT1 and Tier 2 instruments will be fully written down upon PoNV pursuant to their terms.
- 2 Senior notes may incur losses depending on recovery value through court-administered insolvency proceedings.



Application of Basel III (capital ratio)*1

		Mar.24	Mar.25	Mar.26	Mar.27	Mar.28	Mar.29
RWA	Revised standardized approach and internal ratings-based framework for credit	Implement					
	Revised credit valuation adjustment (CVA) framework						
	Revised operational risk framework						
	Output floor	50%	55%	60%	65%	70%	72.5%

Capital requirements

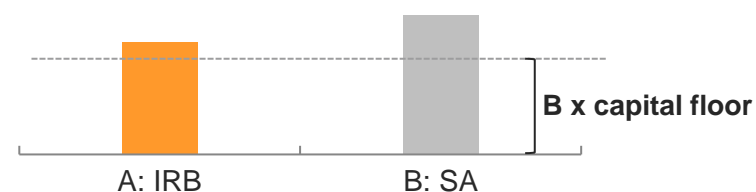


Implementation of output floor

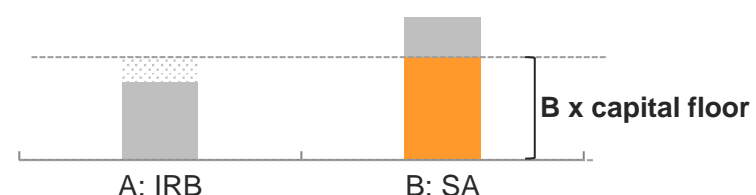
A: RWA based on internal ratings-based approach (IRB)

B: RWA based on standardized approach (SA)

A > B x capital floor → **RWA = A**



A ≤ B x capital floor → **RWA = B x capital floor**



*1 Japanese FSA announced that it will postpone the implementation of unimplemented Basel III standards until Mar. 24 except for banks that have notified Japanese FSA that they wish to apply the standards earlier after Mar. 23.

*2 Countercyclical buffer (CCyB) omitted

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

The temporarily relieved leverage ratio requirements have been applied by Japanese FSA, in accordance with the Bank of Japan's extended monetary policy easing.

- Exclusion of the deposits at BOJ from the denominator of the leverage ratio calculation until Mar. 2024.
- From Apr. 2024, the minimum leverage ratio requirement will be increased from 3% to 3.15% while excluding deposits at BOJ from the denominator of the leverage ratio, taking into account exceptional macroeconomic conditions and other circumstances.

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

Cost Control / IT investment

Managed to decrease base expenses, while G&A expenses increased due to FX impact, etc.
Increased IT investment budget further by JPY 5 bn to ensure governance improvement.

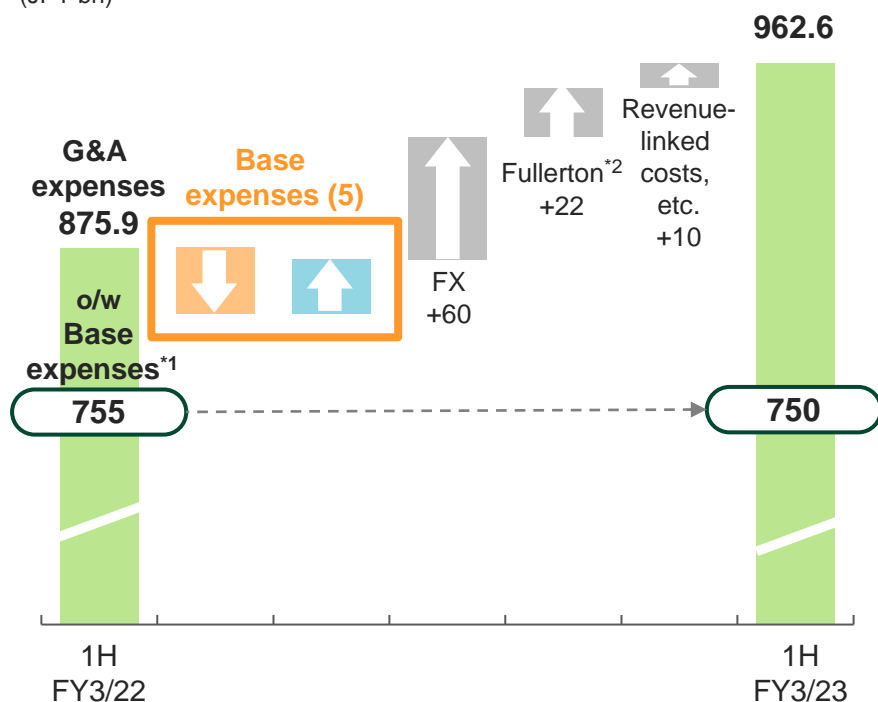
Cost Control

Key cost control initiatives

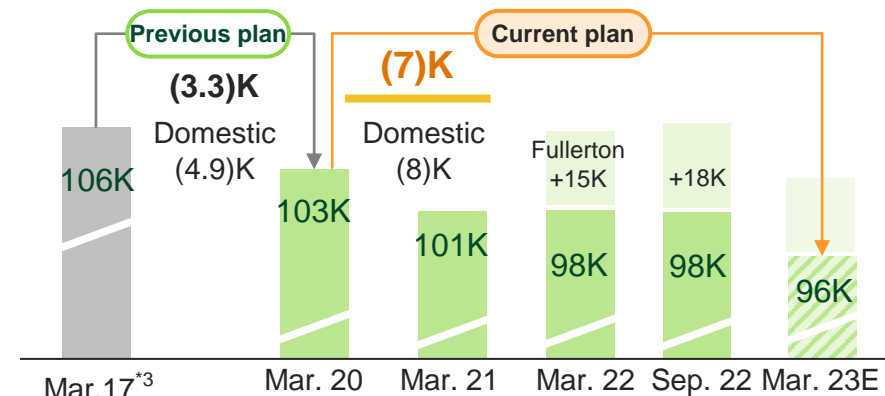
Resource allocation

(e.g. overseas business, strategic personnel investment, system expenses, etc.)

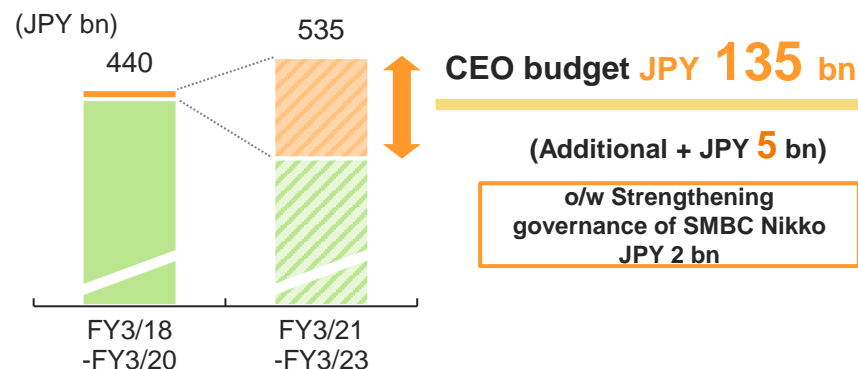
(JPY bn)



Headcount



IT investment



*1 G&A expenses excluding cost related to investment for future growth, revenue-linked costs, etc.

Exchange rate at USD1 = JPY105 (projected rate in medium term management plan)

*2 Includes amortization of goodwill and intangible assets *3 Added the impact of group reorganization retrospectively

Cost Control

Achieved the reduction target of JPY100 bn ahead of schedule.

Pursue further reductions and allocate additional resources to strengthen resilience.

(upper: initial target / lower: results)

		Status of initiatives	Base expense	Workload
Reform of domestic business	Acceleration of digital shift	<ul style="list-style-type: none">Digitalize and rationalize payment businessReallocate workforce of domestic wholesale and wealth management businessesImprove operating efficiency of headquarters	(50) bn (76) bn	(4.6)K people (5.05)K people
Retail branch reorganization		<ul style="list-style-type: none">Realize cost reduction from shifting to smart branches completed ahead of scheduleIntegrate branches and share ATM	(25) bn (26) bn	(2.2)K people (2.7)K people
Integration of group operations		<ul style="list-style-type: none">Review of overseas expensesIntegrate functions of SMCC and SMBCFSShare systems and review assets	(25) bn (41) bn	(1.2)K people (1.9)K people
Initial target			JPY (100) bn	(8.0)K people
Results in 3 years			JPY (143) bn	(9.65)K people

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

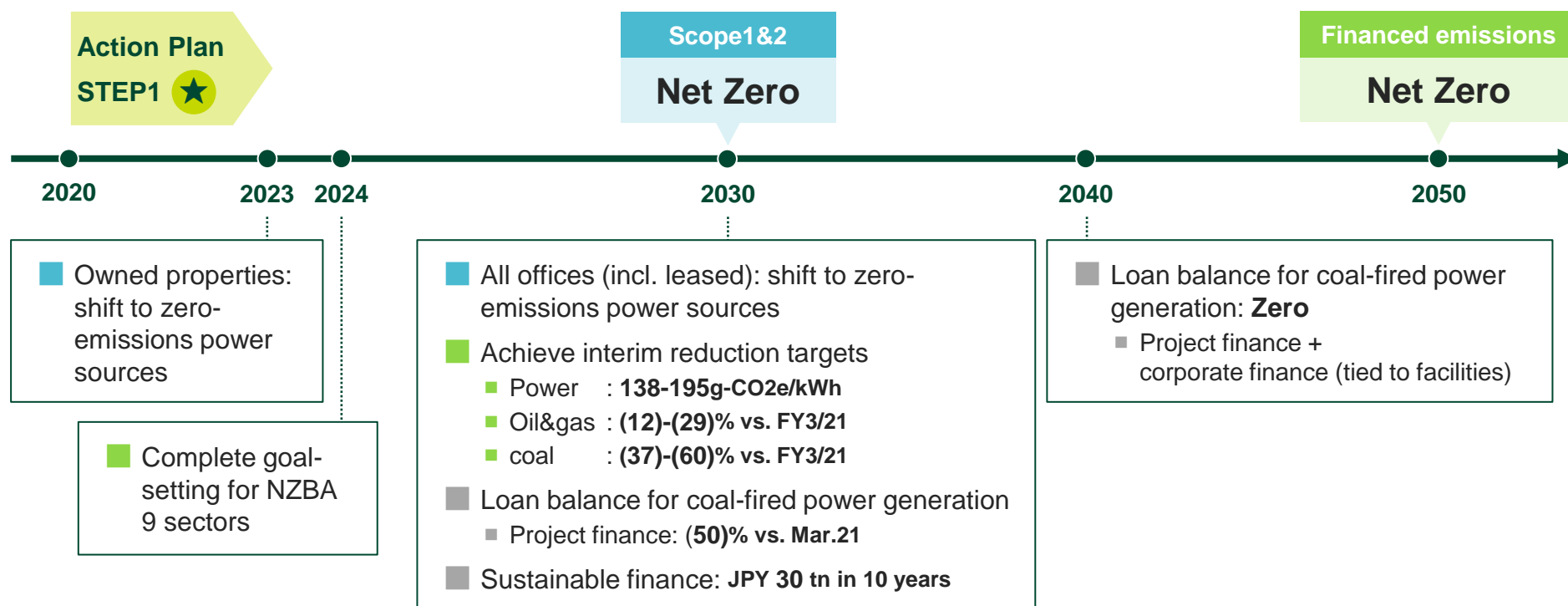
6

Expand franchise in Asia and strengthen digital banking

7

Develop digital solutions for corporate clients

Net Zero Transition Plan



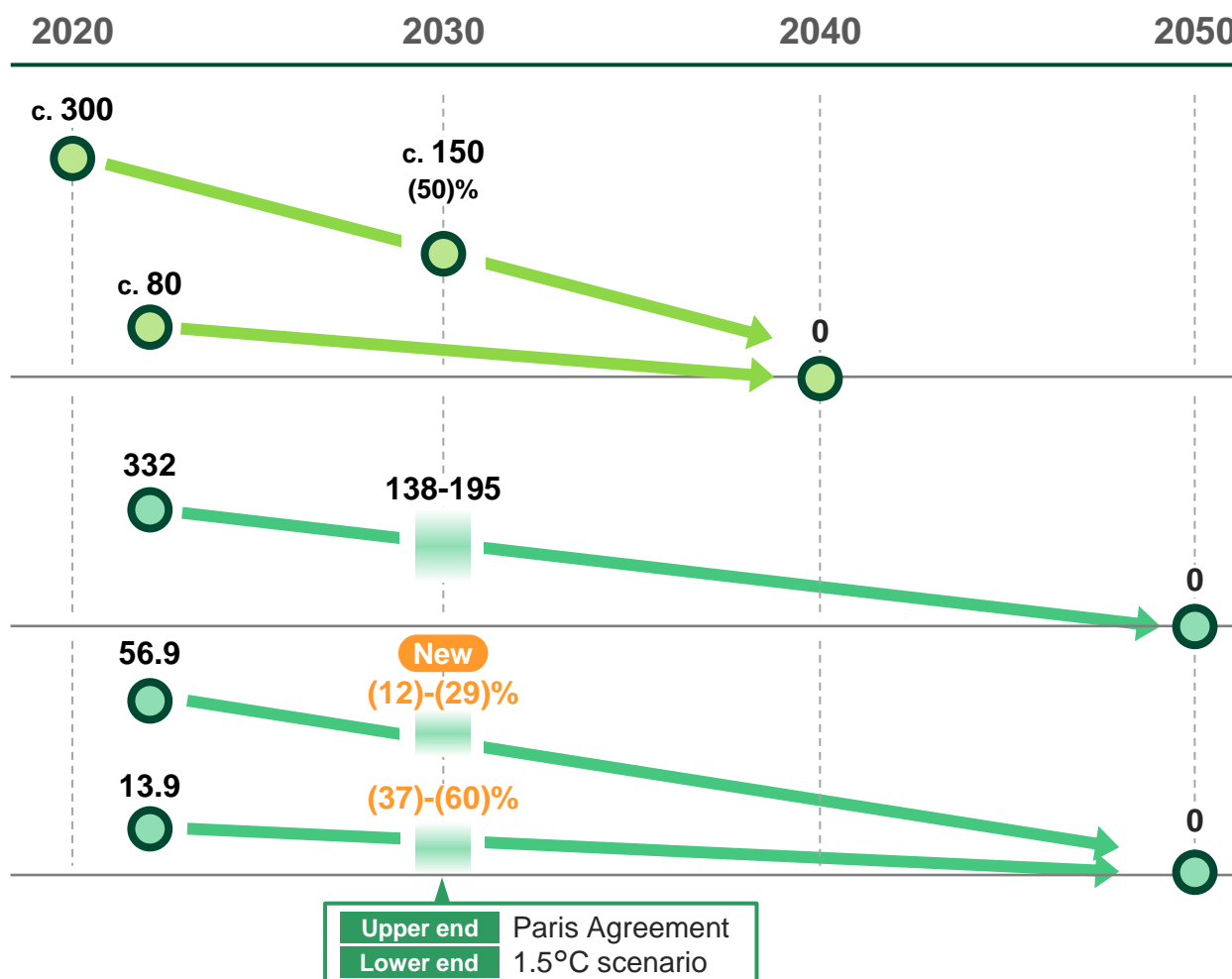
Expanding growth opportunities associated with mitigating transition risks and decarbonization

System developments	Goal-setting	Implementation strategy	Engagement
<ul style="list-style-type: none"> ★ Strengthen governance ● Capability-building 	<ul style="list-style-type: none"> ★ Calculation of financed emissions and setting reduction targets 	<ul style="list-style-type: none"> ★ Strengthen risk management ★ Promote decarbonization business ★ Reduce scope1&2 emissions 	<ul style="list-style-type: none"> ● Customer approach ● Response to other stakeholders

Reduction target toward 2050 net zero

Set new interim reduction target for financed emissions from the energy sector (oil&gas, coal).

Loan balance for coal-fired power generation (JPY bn)	Project Finance
	Corporate Finance (tied to facilities)
Financed emissions Power sector (g-CO2e/kWh)	
Financed emissions Energy sector (MtCO2e)	Oil & Gas
	Coal



Sustainability management structure

Management structure



Reflection of ESG in executive compensation

Base salary	Fixed compensation
Bonus •Cash •Stock Compensation Plan II	Annual performance-linked (0-150%) <div> <div>Base amount</div> <div>×</div> <div> <div>Annual</div> <div>ESG</div> <div>Individuals' performance</div> </div> </div> <div> Quantitative Achievement of targets for <ul style="list-style-type: none"> Sustainable finance Scope1/2 GHG emissions </div> <div> Qualitative ESG ratings of major agencies </div>
	±10%
Stock Compensation Plan I	Medium-term performance-linked (0-150%) <div> <div>Base amount</div> <div>×</div> <div> <div>Financial</div> <div>Stock</div> <div>Qualitative evaluation</div> </div> </div> <div>Incl. "ESG Initiatives"</div>
	Stock Compensation Plan III Promotion reward plan

Response to Environmental and Social Risks

Climate change risk scenario analysis

Physical risk

Aug. 22 SSP scenario^{*1} analysis newly added

IPCC^{*2}/RCP^{*3}

IPCC/SSP

2°C and 4°C scenario

Expected increase in credit cost (up to 2050)

Cumulative
JPY 55-65 bn



JPY 67-85 bn

Transition risk

Apr. 22 Steel and automotive sectors newly added to the transition risk scenario analysis

Energy

Power

Automotive

Steel

1.5°C and 3°C scenarios

Expected increase in credit cost (up to 2050)

JPY 2-24 bn annual



JPY 2.5-28 bn annual

Effort for new issues

Respect for Human Rights

Statement on Human Rights

Employees

Customers

Suppliers

Oct. 22

Human rights
due diligence

Apr. 22

Sustainable
Procurement Policy

Conservation of natural capital

Risk Management

- Prohibit support for new projects in nature conservation areas
- Conduct environmental and social risk assessments when financing large-scale projects

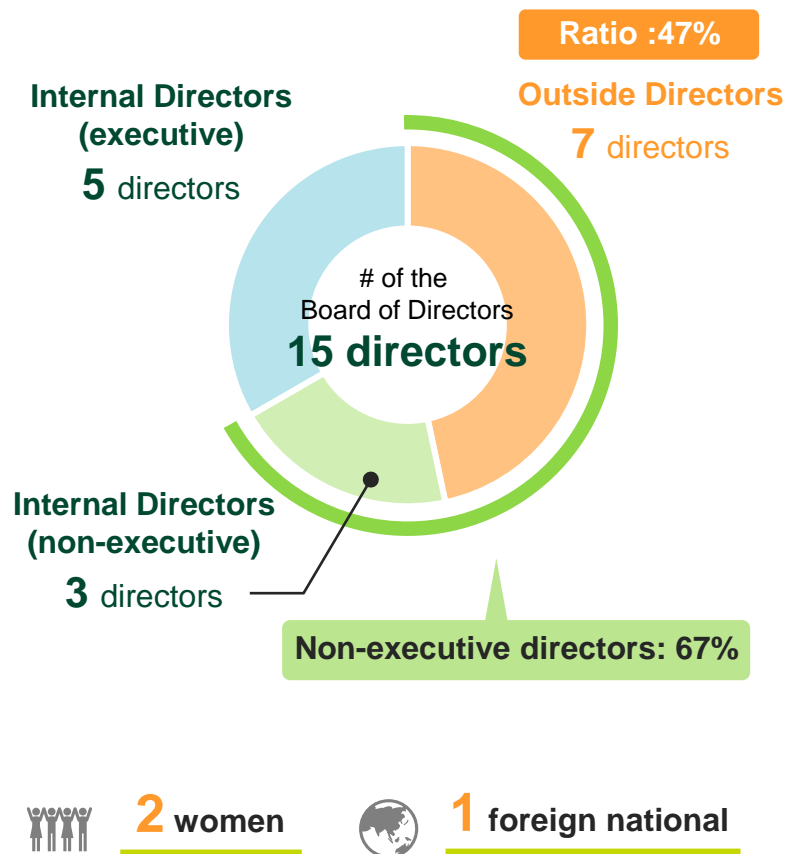
Disclosure

- Participate in TNFD^{*4} Forum

^{*1} Common socio-economic path scenario (Shared Socioeconomic Pathway) ^{*2} Intergovernmental Panel on Climate Change (Intergovernmental Panel on Climate Change) ^{*3} Representative Concentration Path Scenarios (Representative Concentration Pathways) ^{*4} Taskforce on Nature-related Financial Disclosures

Governance

Structure of the Board



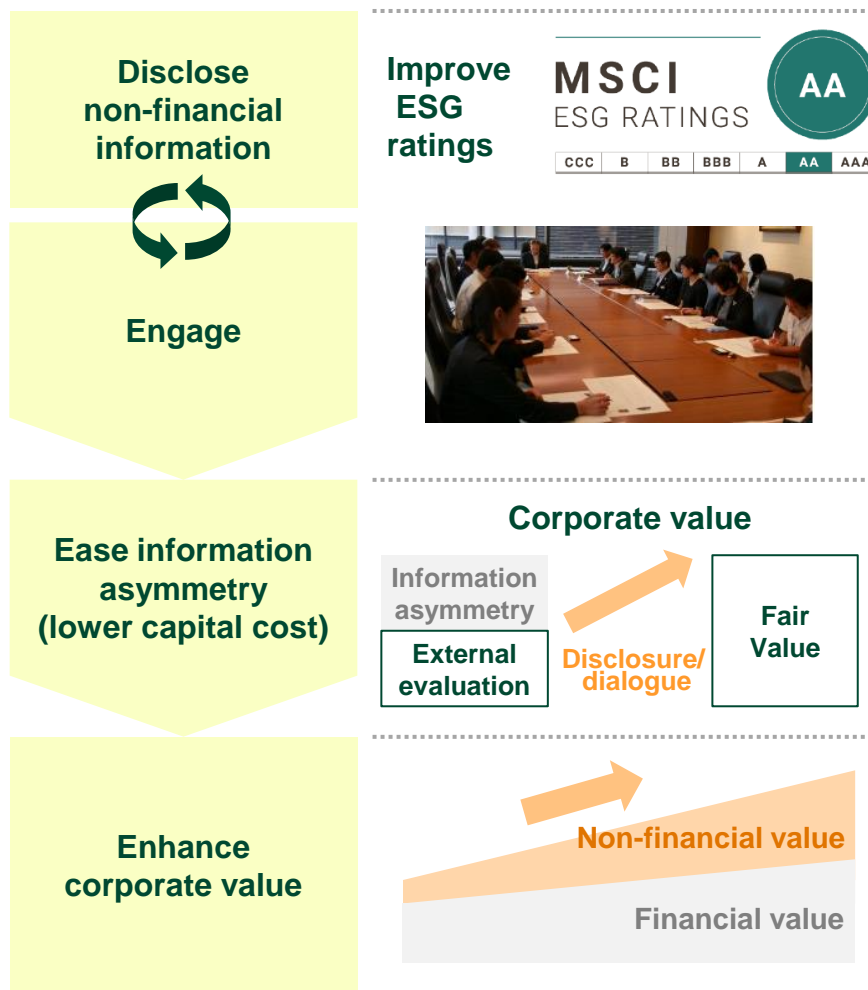
	Knowledge and experience we expect in particular						
	Management	Finance	Global	Legal/risk management	Accounting	IT/DX	Sustainability
T.Kunibe							
J.Ohta							
M.Takashima							
T.Nakashima							
T.Kudo							
A.Inoue							
T.Isshiki							
Y.Kawasaki							
M.Matsumoto							
A.M.Mitchell							
S.Yamazaki							
M.Kohno							
Y.Tsutsui							
K.Shinbo							
E.Sakurai							

Engagement with stakeholders

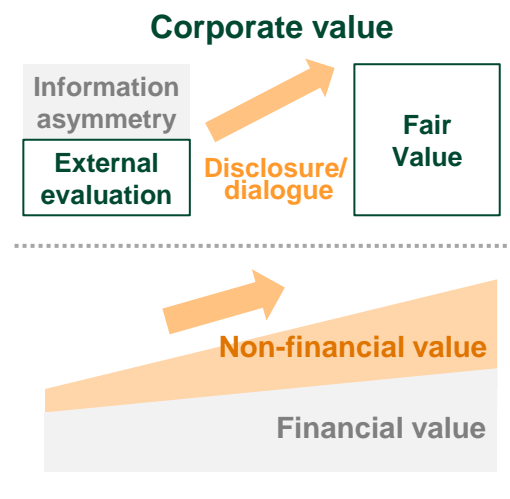
Key sustainability metrics

	Key sustainability metrics	Target	Results
Environment	Sustainable finance	JPY 30 tn Apr.20-Mar.30	JPY 11.1 tn -Sep.22
	o/w Green finance	JPY 20 tn	JPY 10.2 tn
	Green bond issuance	at least once a year	-
Community	Retail deposits in Asia	vs Dec.19 x3 by Dec. 22	x2.6 -Sep.22
Next Generation	Finance education	1.5 mn people Apr.20-Mar.30	298 k -Mar.22
Human Resources	Female managers	20 % by Mar. 26	17.0 % Mar. 22
	Childcare leave (male)	100 %	100 % Mar. 22

Enhance corporate value through engagement



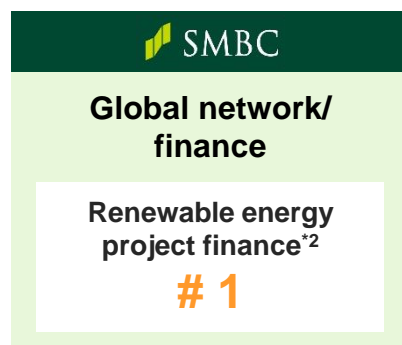
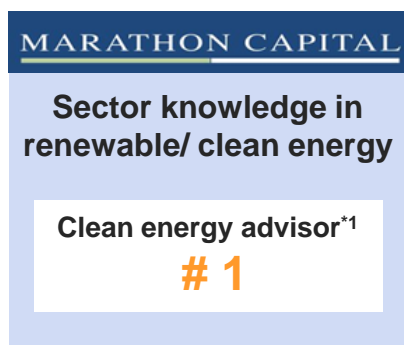
Improve ESG ratings



Decarbonization solutions

Provide a wide range of solutions to support clients' efforts for decarbonization.

New businesses with Marathon Capital



Collaborate in ESG areas

Renewable/ clean energy finance



Support for energy transition

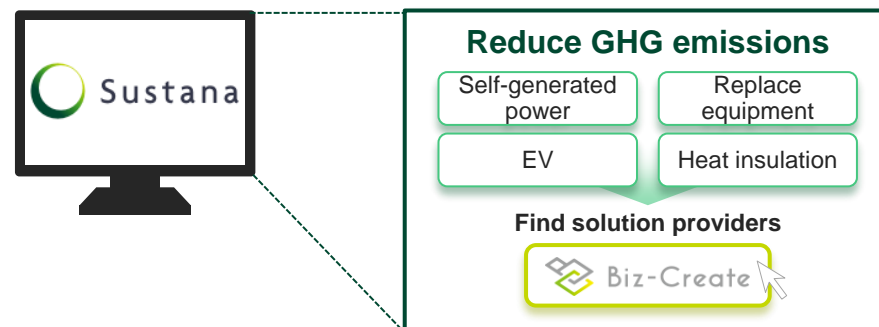


Advisory in energy sector

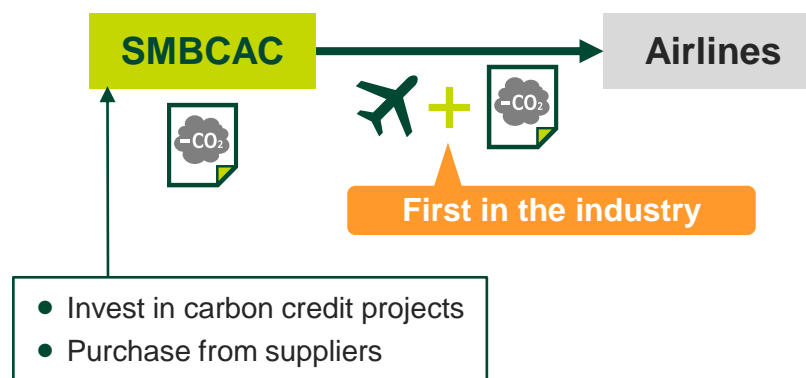


Sustana

Sep. 22 Added a function that recommends measures to reduce GHG emissions



Carbon credit sales in aircraft leasing



*1 Source: Bloomberg (North America, 2019-2021, # of deals) *2 Source: IJ Global (global, 2021, amount)

ESG indices and initiatives

Selected ESG indices



FTSE Blossom Japan Sector Relative Index



2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

GPIF selection indexes



FTSE4Good

Endorsed initiatives

WE SUPPORT



Signatory of:



Rationale for Issuing Green Bonds

SMBC Group's motivation toward green bond issuance

Strong Track Record in Green Finance

SMBC Group's significant growth in Renewable Energy Finance

SMBC Group Green Bonds

Development of Green Bond Market

Green bonds have been utilized
for sustainability commitment

Attract New Investors

Attract new investors and thereby
diversify investor base

What will be achieved by green bond issuance

**Promotion of SMBC Group's
Sustainability Commitment**

**Transformation to
more resilient business model**

Key Aspects of SMBC Group's Green Finance Framework Based on Green Bond / Loan Principles



1. Use of Proceeds

- Project Categories

1. Renewable Energy 2. Energy Efficiency 3. Green Buildings



4. Clean Transportation



5. Pollution Prevention & Control



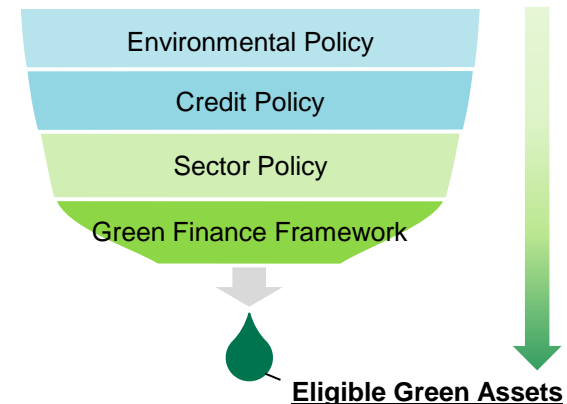
- Look Back Period : 24 months
- More than 90% of the funds are allocated to Renewable Energy



2. Evaluation and Selection

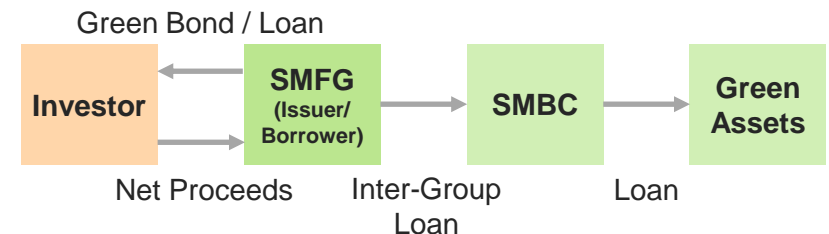
SMBC Group's
Sector policy

SMBC Group's
Green Finance
framework



3. Management of Proceeds

- Pending allocation of proceeds
: short-term financial instruments.



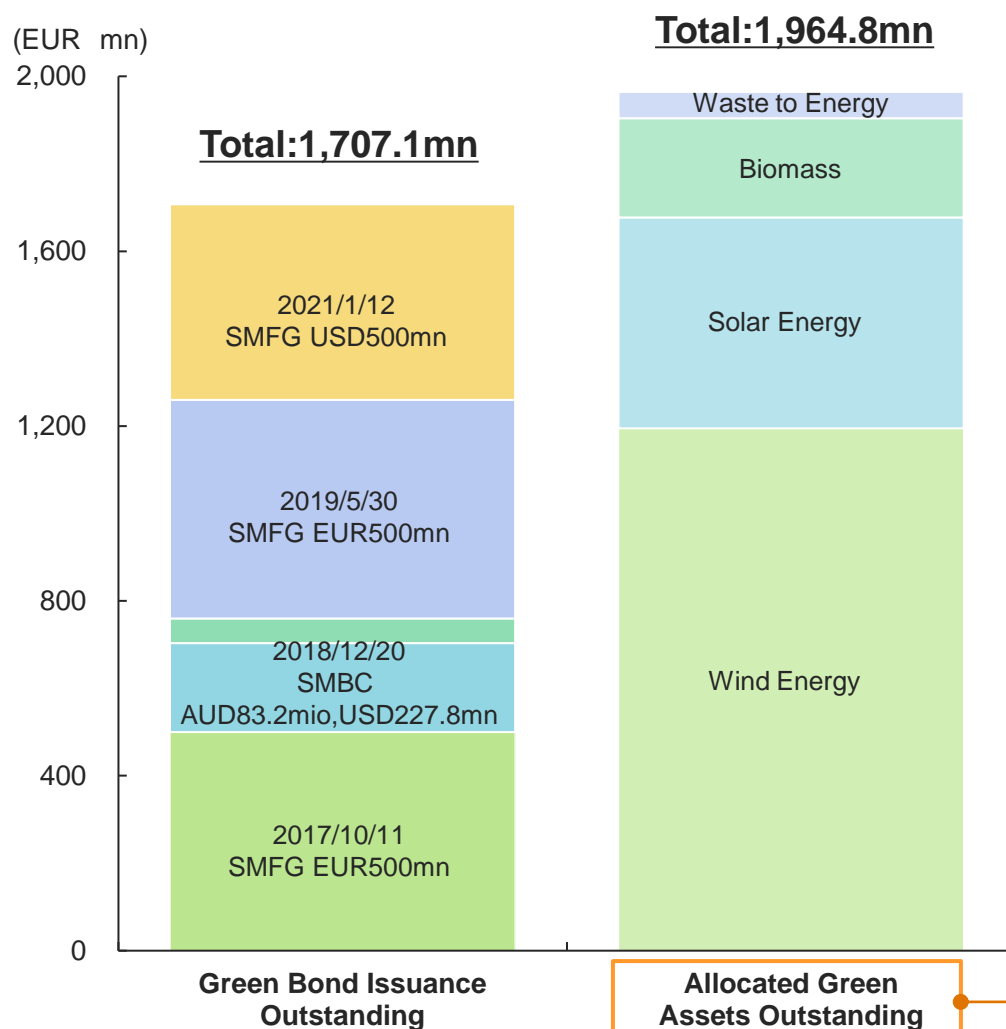
4. Reporting

- Annually updated
 - ✓ **Allocation Proceeds**
Project Category, Amount, Country, Agreement Date
 - ✓ **Impact Reporting**
CO₂ Emissions Reduction
(inc. o/w SMBC Financed base)
 - ✓ **External Review**
Report from Sustainalytics
- All of information is
 - ✓ Updated within one year from issue date
 - ✓ Available on our Website

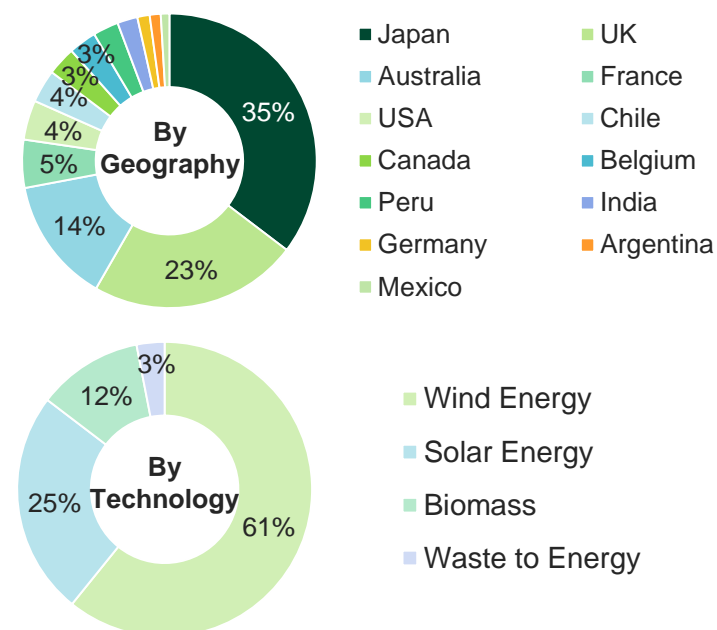


Overview of Green Bond Issuance and Allocated Green Assets

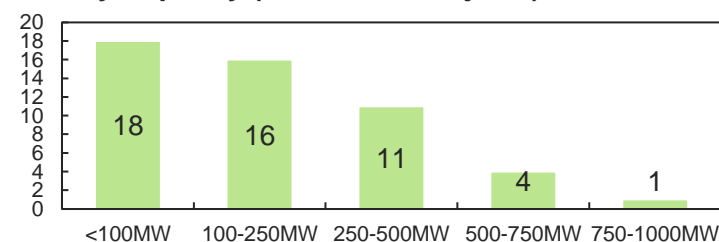
Balance of Green Bond Issuance and Allocated Green Assets*¹ (as of Mar. 22)



Overview of Allocated Green Assets





Facility Capacity (Number of Projects)



*1 Translated into EUR at the exchange rates as of Mar. 22

Green Bond Impact Reporting

Impact Reporting (as of Mar. 22)

Category	Sub Category	Country	Number of Projects	Capacity (MW)	Estimated CO ₂ emissions reduction (t-CO ₂ /Year)	
						o/w SMBC Group financed
 Renewable Energy	Wind energy	Argentina, Australia, Belgium, Canada, Chile, France, Germany, Japan, Peru, UK	27	8,921.65 MW	10,384,753.21 t-CO ₂	2,367,455.87 t-CO ₂
	Solar energy	Australia, France, India, Japan, Mexico, USA	18	1,652.96 MW	1,633,451.66 t-CO ₂	461,436.07 t-CO ₂
	Biomass	Japan	4	422.90 MW	2,006,421.08 t-CO ₂	466,504.30 t-CO ₂
 Pollution Prevention & Control	Waste to Energy	Australia	1	36.00 MW	242,827.20 t-CO ₂	54,307.51 t-CO ₂
Total					14,267,453.15 t-CO ₂	3,349,703.75 t-CO ₂
SMFG/SMBC Green Bond Outstanding (as of Mar. 22)* ¹						EUR 1,707.1mn
CO ₂ Avoidance per EUR1mn						1,962.23 t-CO ₂

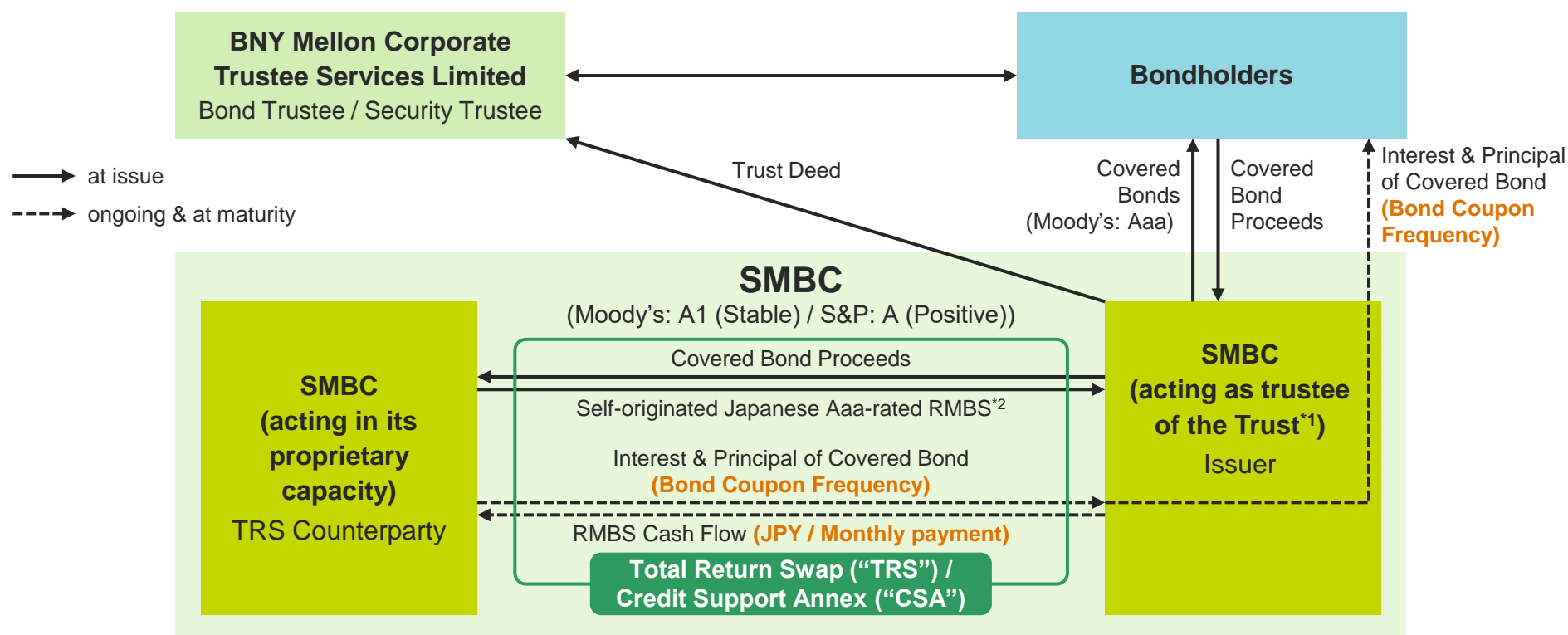
*1 Translated into EUR at the exchange rates as of Mar. 22

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 of Japan.

Cover pool assets remain on the balance sheet of SMBC acting in its own 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")

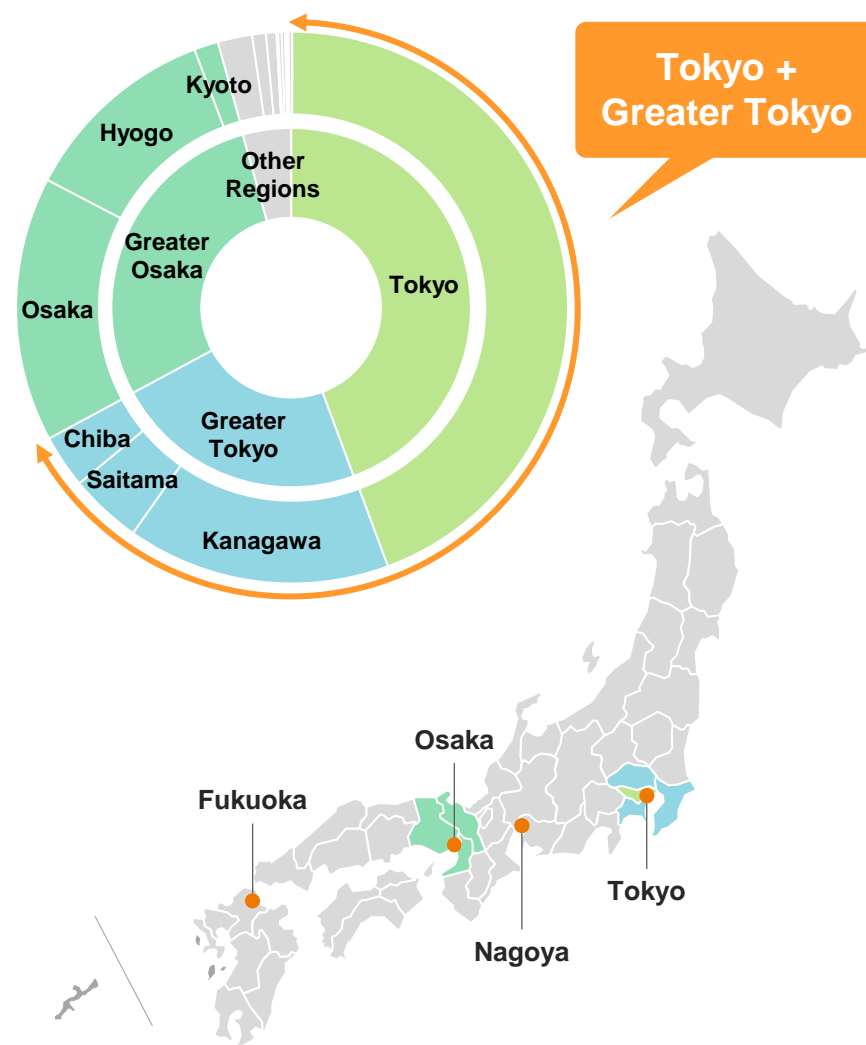
*2 Cover pool assets may include senior tranches Aa-rated RMBS where higher haircut ratio of 20% is applied, JGB and cash

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	JPY 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 Jul. 22

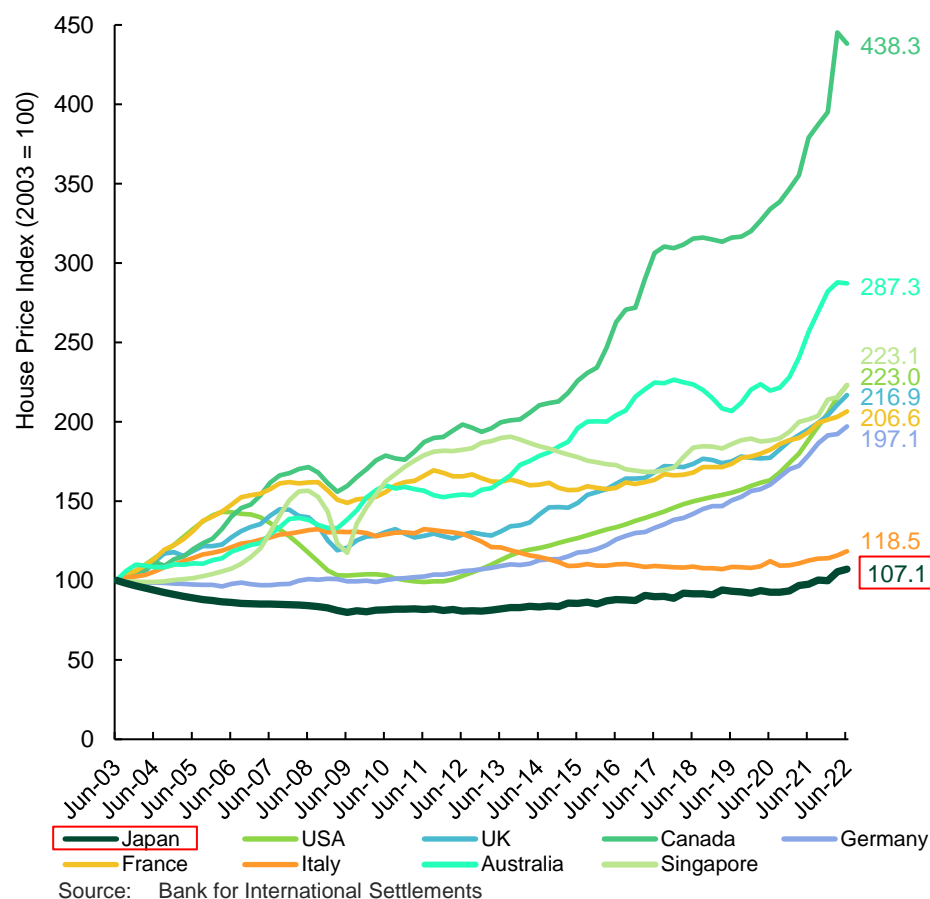
*2 By loan balance

Housing market developments

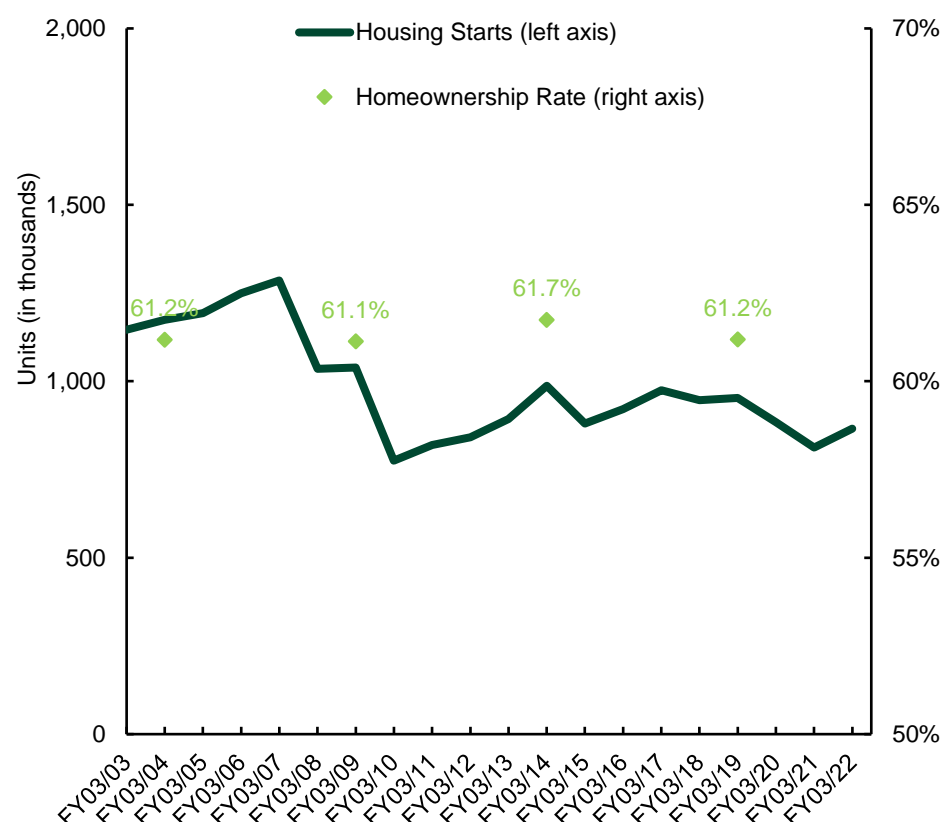
Japanese house prices have been stable with limited impact of the global financial crisis compared to other developed countries, and are now in an upward trend.

Negative impact of COVID-19 on housing starts is smaller than during the financial crisis and homeownership rate has been stable at approx. 60%.

House Prices



Housing Starts / Homeownership Rate



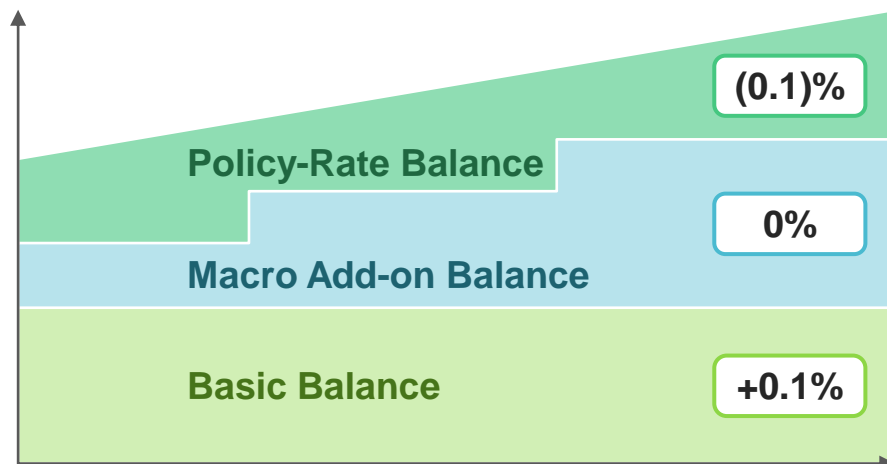
Source: Ministry of Land, Infrastructure, Transport and Tourism, Statistics Bureau, Ministry of Internal Affairs and Communications

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
Mar. 2021	Further Effective and Sustainable Monetary Easing
Sep. 2021	Introduction of Climate Response Financing Operations
Apr. 2022	Clarification of consecutive fixed-rate purchase operations

Three-tier system in current accounts at BOJ



Recent announcements

Mar. 2021

• 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.
- Yield fluctuations range of +/-0.25% from the target

• Guidelines for asset purchases

- Maintain annual paces of increase for ETFs and J-REITs
- Extend purchase of CP and corporate bonds till Sep. 2021

Sep. 2021

• Climate Response Financing Operations

- To provide funds to financial institutions within the amount outstanding of their investment or loans that contribute to Japan's actions to address climate change, with a view to supporting private sector efforts on climate change.
- Interest rate on its program at 0% with the duration of loan being 1 year (can be rolled over).

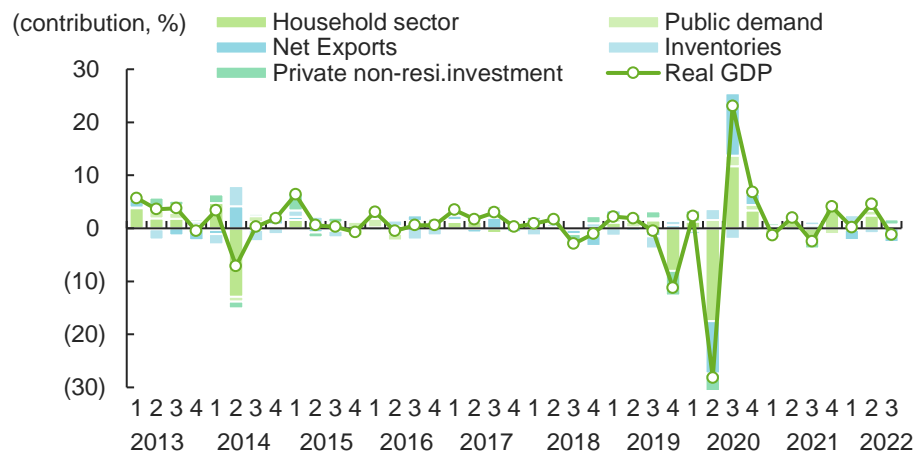
Apr. 2022

• Clarification of consecutive fixed-rate purchase operations

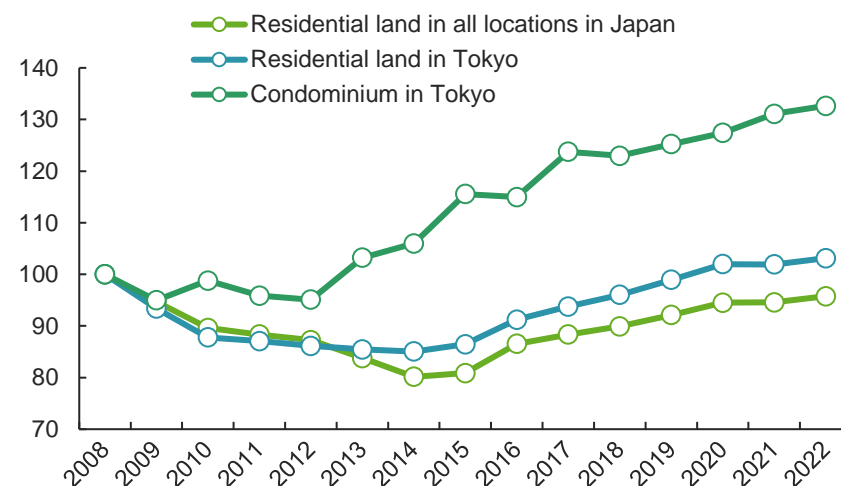
- Clarified at the April meeting that the BOJ will offer to purchase 10-year JGBs at 0.25 percent every business day through fixed-rate purchase operations, unless it is highly likely that no bids will be submitted.

Japanese economy

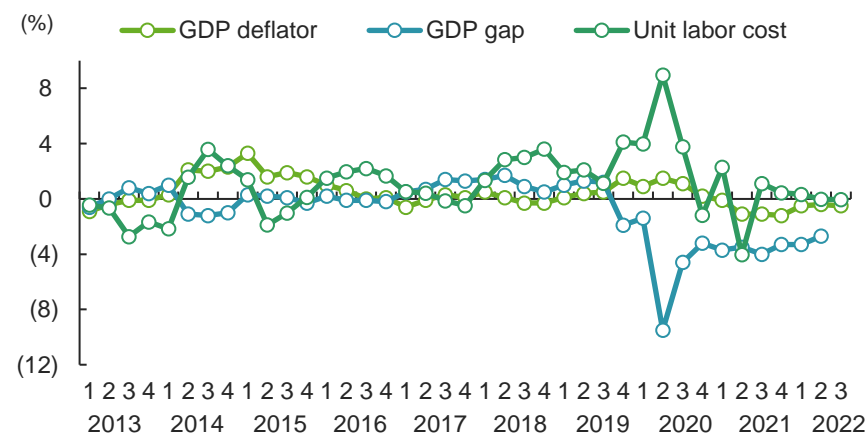
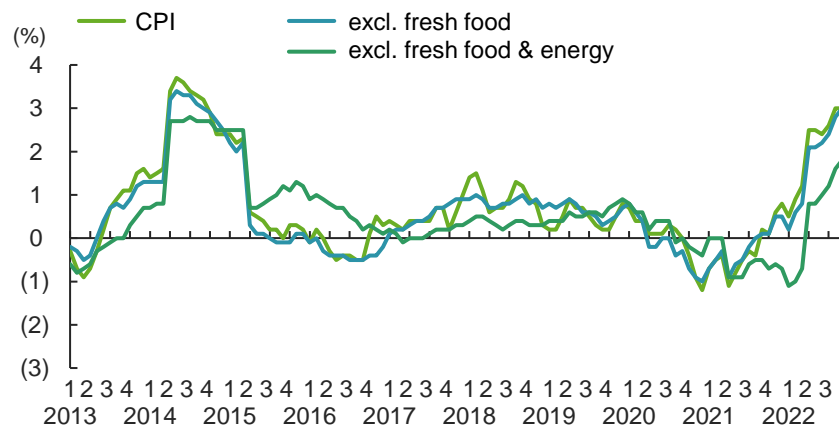
Real GDP growth rate (annualized QoQ change)*1



Property price of 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. Condominium in Tokyo is the first half of the year

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